SG615-2
11/9/88

OREGON LABOR TRENDS

OCTOBER 1988

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Sept.	1988	6.1
Aug.	1988	6.0
Sept.	1987	5.8

United States (Seas. Adj.)

Sept.	1988	5.4
Aug.	1988	5.6
Sept.	1987	5.9

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Sept.	1988	122.1
Aug.	1988	122.2
July	1988	121.5
June	1988	120.6
May	1988	120.6

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Aug.	1988	$10.45
July	1988	$10.76
Aug.	1987	$10.42

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Aug.	1988	38.6
July	1988	39.0
Aug.	1987	39.5

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan-June 1988	113.6
Yearly change	3.4%
Annual Average 1987	110.9
Yearly change	2.5%
United States	
Sept. 1988	119.8
Yearly change	4.2%
Annual Average 1987	113.6
Yearly change	3.6%

Portland Hotline 221-4132

A MONTHLY VISITOR

Duane Ackerson

The grim-faced man lowered himself into a seat near my desk. For some reason, he picked the most uncomfortable chair in the office.

"Just the facts, sir." He extended his billfold so I could see the I.D. card. Then he was back at near attention, sitting rigidly like a cadet in a military school mess waiting for the all clear to eat.

I mulled things a moment (this being October, the month of mulled cider), trying to decide what facts to feed him. It was hard to imagine someone with such a tight mouth, like the base line on a graph, swallowing anything, or even having much interest in doing so. He seemed like a walking abstraction, someone who could live on air.

"Well, it's this way, officer," I said as he crossed his legs. He did this, not in a gesture of relaxation, but to make it easier to write on the notepad he had just extracted from his left breast pocket. "September was a pretty quiet month. The seasonally adjusted unemployment rate went up one tenth of a point to 6.1, and the nonagricultural wage and salary employment index slipped by one-tenth. The latter was down because the number of payroll jobs were a bit fewer than expected."

"Just a moment, citizen. I may have to write up whoever was responsible for these declines in an official report. Where did the incident occur?"

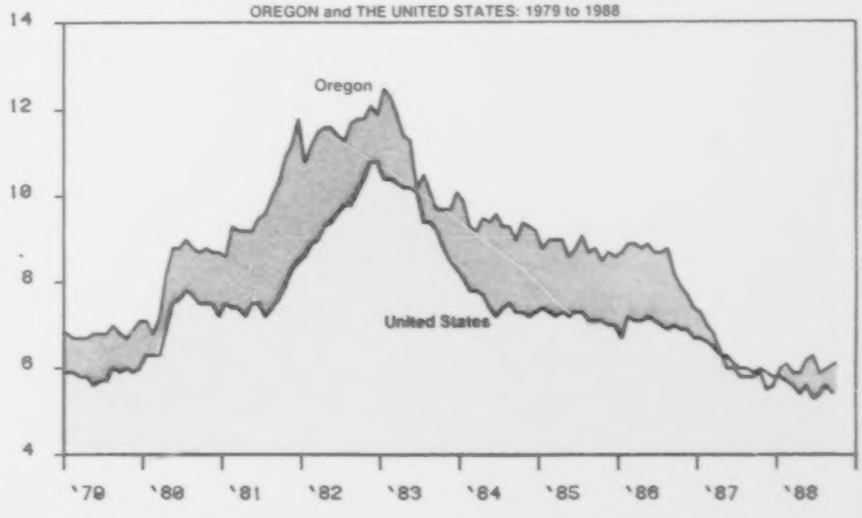
"I guess I should have mentioned that detail. This happened in Oregon."

"Oregon: now we're getting somewhere. Does this month have a record?"

"Well, yes, it does. Nonfarm payroll employment reached 1,158,300, which was an all-time record. You no doubt remember the recession at the start of the decade?"

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*

OREGON and THE UNITED STATES: 1979 to 1988



*Civilian Labor Force Only

"Stick to the specifics, please."

"Well, this increase in the employment level was 19.2 percent, or 186,300 jobs, higher than the worst September of that recession, September 1982. It was also a jump of 6.5 percent, or an increase of 70,300, from the pre-recession high in September of 1979."

"1979? Forget it, chum. That's nine years ago. You're beyond the statute of limitations on that one."

Logging activity was sharply curtailed by dry weather and forest fires.

"Well, let's get back to the recent past, then. September, though not a bad month in general for manufacturing, was not a good month for logging activity. In fact, the employment level of 9,600 was the lowest for any September in over ten years. Generally, the unusually dry weather and forest fires reduced logging activity. Something similar happened in preserved fruits and vegetables: the weather and an early harvest shortened the processing season, resulting in 1,200 workers being laid off in September. As a result, employment in this industry was 500 less than the level a year ago."

"Forest fires. Hmmmmm...probable arson. Possible investigation."

"Actually, officer, I don't think the figures this month warrant that kind of investigation. In fact, considering that we've approached the anniversary of the October 1987 stock market crash, both the national and Oregon economies seem to be holding up."

"Hold up?"

"Maybe I should re-phrase that. The U.S. seasonally adjusted unemployment rate in September, at 5.4%, was down 0.2 from August. Meanwhile, in Oregon, nonfarm wage and salary employment was not only at a record high, as I previously testified, but 44,500 above September of last year. And though total manufacturing, mainly due to the setbacks mentioned earlier, was only 2,900 higher than a year ago, total nonmanufacturing was up by 41,600. In fact, business services' current employment of 48,400 is a record. This industry, which is made up of twenty-five varieties of service to businesses, including temporary help agencies, building maintenance, and management and public relations consultants, has added 20,000 jobs in a mere five years."

"Aren't you forgetting something, citizen?"

"Huh? Oh yes...this industry also includes detective and protective services."

I thought I saw a flicker of emotion pass over his face, though it was gone quickly, like a temperature reading on a tv weather map.

"Yeah, that's right. Bunch of fast-talking gumshoes, trying to make things tough for us hard-working public servants."

"I guess that about covers the situation, officer." I glanced toward the door, hoping he'd take the hint.

He uncrossed his legs and stood. Then he put the notepad down in front of me on the desk.

"Sign here."

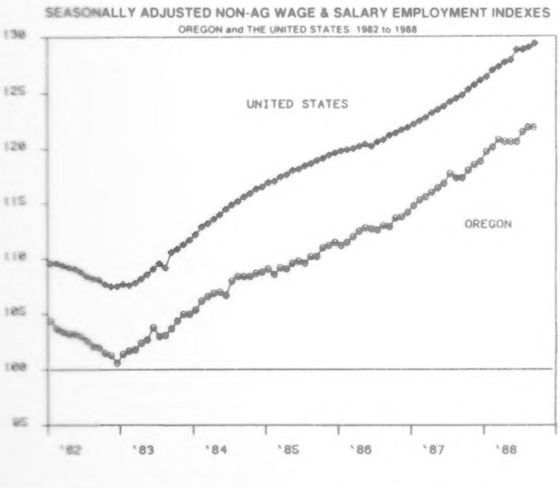
When I had done so, the notepad went back into the breast pocket. The line of his mouth seemed to untighten slightly.

"It's citizens like yourself who report things that make our jobs easier." He extended his hand, and we shook hands. Then he pivoted on his heel and headed for the door, stopping suddenly as he reached it and turning back toward me.

"By the way, my partner will be back next month to take another sworn statement."

The door closed quietly behind him. A moment later, my secretary rushed in two hours late. Speaking around the gum in her mouth, she asked, "Who was that guy I saw coming out of the office?"

"His I.D. said 'Joe September'."



RESIDENT OREGON LABOR FORCE

	SEP.[1] 1988	AUG.[2] 1988	CHANGE	%CHANGE	SEP.[5] 1987
CIVILIAN LABOR FORCE[3]	1,423,700	1,432,300	-8,600	-0.6	1,399,700
UNEMPLOYMENT	76,600	76,600	0	0.0	71,300
PERCENT OF LABOR FORCE	5.4	5.3	XXX	XXX	5.1
SEASONALLY ADJUSTED PERCENT	6.1	6.0	XXX	XXX	5.8
TOTAL EMPLOYMENT[4]	1,347,100	1,355,700	-8,600	-0.6	1,328,400

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[1] *Preliminary.*

[2] *Revised.*

[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*

[4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*

[5] *Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	SEP.[1] 1988	AUG.[2] 1988	SEP. 1987	AUG. 1988	SEP. 1987
TOTAL[3]	1,158,300	1,148,300	1,113,800	10,000	44,500
WAGE & SALARY EMPLOYMENT INDEX[4]	122.1	122.2	117.4	XXX	XXX
TOTAL MANUFACTURING	218,600	221,900	215,700	-3,300	2,900
DURABLE GOODS	155,400	157,300	153,000	-1,900	2,400
LUMBER & WOOD PRODUCTS	66,800	68,700	69,500	-1,900	-2,700
LOGGING & SAWMILLS	32,300	34,600	35,700	-2,300	-3,400
VENEER & PLYWOOD	17,600	17,200	17,900	400	-300
MILLWORK & STRUCTURAL WOOD	11,200	11,400	10,500	-200	700
MOBILE HOMES	1,700	1,700	1,500	0	200
OTHER WOOD PRODUCTS	4,000	3,800	3,900	200	100
FURNITURE AND FIXTURES	2,600	2,600	2,500	0	100
STONE, CLAY, GLASS & CONCRETE	4,000	4,000	3,700	0	300
PRIMARY METALS	10,300	10,500	9,600	-200	700
BLAST FURNACES, IRON & STEEL	6,100	6,100	5,700	0	400
NONFERROUS METALS	4,200	4,400	3,900	-200	300
FABRICATED METALS	11,400	11,300	10,800	100	600
FABRICATED STRUCTURAL METALS	5,200	5,000	4,800	200	400
OTHER FABRICATED METALS	6,200	6,300	6,000	-100	200
MACHINERY	16,400	16,200	15,700	200	700
ELECTRICAL EQUIPMENT & SUPPLIES	15,400	15,300	13,800	100	1,600
TRANSPORTATION EQUIPMENT	13,400	13,500	11,900	-100	1,500
INSTRUMENTS & RELATED PRODUCTS	11,700	11,800	12,100	-100	-400
MISCELLANEOUS MANUFACTURING	3,400	3,400	3,400	0	0
NONDURABLE GOODS	63,200	64,600	62,700	-1,400	500
FOOD & KINDRED PRODUCTS	28,500	29,900	29,200	-1,400	-700
CANNING & PRESERVING	17,600	18,800	18,100	-1,200	-500
OTHER FOOD PRODUCTS	10,900	11,100	11,100	-200	-200
TEXTILE MILL PRODUCTS	1,900	1,900	1,800	0	100
APPAREL	3,100	3,000	2,500	100	600
PAPER & ALLIED PRODUCTS	8,900	8,900	9,300	0	-400
PRINTING & PUBLISHING	13,500	13,500	12,800	0	700
CHEMICALS & ALLIED PRODUCTS	2,100	2,200	2,100	-100	0
PETROLEUM REFINING	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,300	4,300	4,000	0	300
LEATHER PRODUCTS	400	400	500	0	-100
TOTAL NONMANUFACTURING	939,700	926,400	898,100	13,300	41,600
MINING & QUARRYING	1,500	1,500	1,500	0	0
CONSTRUCTION	41,100	41,500	38,600	-400	2,500
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	60,300	60,200	59,400	100	900
TRANSPORTATION	38,900	38,600	37,900	300	1,000
RAILROAD	3,800	3,800	4,000	0	-200
TRUCKING & WAREHOUSING	21,700	22,200	21,800	-500	-100
OTHER TRANSPORTATION	13,400	12,600	12,100	800	1,300
COMMUNICATIONS	12,700	12,800	12,600	-100	100
UTILITIES	8,700	8,800	8,900	-100	-200
TRADE	301,900	299,700	283,500	2,200	18,400
WHOLESALE TRADE	76,900	75,900	71,500	1,000	5,400
DURABLE GOODS	44,700	44,800	41,500	-100	3,200
NONDURABLE GOODS	32,200	31,100	30,000	1,100	2,200
RETAIL TRADE	225,000	223,800	212,000	1,200	13,000
GENERAL MERCHANDISE	28,700	28,500	27,100	200	1,600
FOOD STORES	38,300	38,300	34,800	0	3,500
AUTO DEALERS & SERVICE STATIONS	27,800	27,700	26,500	100	1,300
OTHER RETAIL TRADE	130,200	129,300	123,600	900	6,600
FINANCE, INSURANCE, & REAL ESTATE	74,600	75,000	72,300	-400	2,300
BANKING & CREDIT AGENCIES	24,100	24,300	23,700	-200	400
OTHER FINANCE, INSURANCE, & REAL ESTATE	50,500	50,700	48,600	-200	1,900
SERVICES	258,700	256,600	245,400	2,100	13,300
HOTELS & PERSONAL SERVICES	27,400	28,200	27,000	-800	400
HEALTH SERVICES	79,300	78,400	75,200	900	4,100
OTHER SERVICES	152,000	150,000	143,200	2,000	8,800
GOVERNMENT	201,600	191,900	197,400	9,700	4,200
FEDERAL GOVERNMENT	31,500	31,800	31,300	-300	200
STATE GOVERNMENT	56,200	56,300	53,900	-100	2,300
EDUCATION	19,800	19,500	19,100	300	700
OTHER STATE	36,400	36,800	34,800	-400	1,600
LOCAL GOVERNMENT	113,900	103,800	112,200	10,100	1,700
EDUCATION	67,700	56,000	67,400	11,700	300
OTHER LOCAL	46,200	47,800	44,800	-1,600	1,400
LABOR - MANAGEMENT DISPUTES	1,100	3,800	100	-2,700	1,000

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[1] *Preliminary.*

[2] *Revised.*

[3] *Includes full and part time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

THE IMPLICATIONS OF DEMOGRAPHIC TRENDS FOR OREGON AND THE LABOR FORCE

Ann Hanus

(Editor's note: Ann Hanus is the State Economist in the Office of Economic Analysis, Oregon Executive Department. This article is an abstract from a larger paper on demographic trends and will focus on the labor force.)

The crystal ball of the future is demographics. It yields clues about the issues that we will face and the ones that are already here. An aging work force combined with the current "birth dearth" will affect issues ranging from the composition and quality of the work force to rising health care demand, education, and housing.

Oregon's population trends mirror the U.S. We experienced the "baby boom" of the 1950s and early 1960s, and saw the number of births fluctuate due to wars, influenza, and the availability of birth control and abortion (see graph). Oregon differs from the U.S. by having a slightly greater proportion of males, smaller household size, and a more homogeneous population (i.e., fewer minorities and less diverse ethnicity). Overall, Oregon should mirror future U.S. demographic trends. Over two-thirds of the state's residents live in the Willamette Valley ranging from Portland to Eugene.

The regions with the highest percentage of elderly tend to be coastal counties, as well as Marion, Josephine, Jackson, Wasco, Sherman, Gilliam, Wheeler, Crook, and the far eastern counties of the state. The counties with the greatest proportion of youth are Jefferson, Malheur, Morrow, Yamhill, Columbia, Umatilla, Harney, Union, and Clackamas.

Oregon's population has fluctuated in response to business cycles. We rose rapidly during the 1970s but witnessed a loss of population during the early 1980s (see graph). Eastern Oregon, Lake, Klamath, Coos, Linn, Lane, Wasco, Sherman, Gilliam, and Wheeler counties numbered among the losers. Contrary to popular belief, the state's population fluctuations were due mostly to changes connected with in-migration rather than out-migration. In other words, most of the loss of population during the early 1980s occurred because fewer people migrated into the state, and births were not sufficient to compensate for the loss.

The current demographic outlook centers on the movement of the baby boom. This generation was born between 1946 and 1964 and is now between the ages of 23 and 42. The baby boom generation represents about one-third of the U.S. population and totals 70 percent more people than were born during the preceding two decades.

Indeed, by the year 2030, the baby boom will be transformed into the "Great Grandma Boom."

By the year 2010, the baby boom generation will begin to reach age 65, and society and the economy will have to adjust to a large elderly population. Indeed, by the year 2030, the baby boom will be transformed into the "Great Grandma Boom." This boom will be disproportionately composed of women since women outnumber men 2:1 for those 75 years and over.

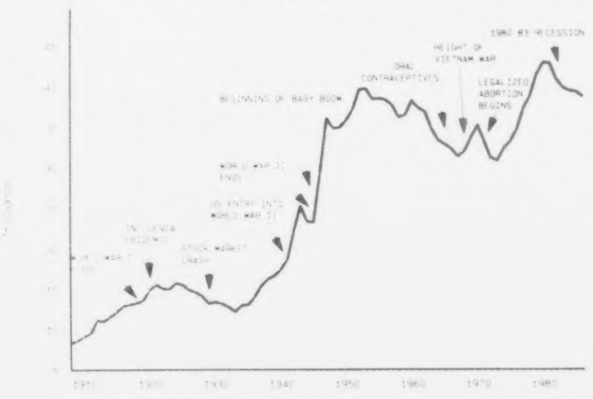
Between the years 2010 and 2030, growth will virtually halt for any age group other than the elderly. In terms of the percentage of voting public, the elderly rise from 20 to 25 percent by 2010. By the year 2020, the U.S. will have nearly as many people over 60 as under 20 years of age. Furthermore, the size of the elderly population will be at least 2-1/2 times the size of the elderly population in 1980.

Although the baby boom is growing older, the principal cause of the aging of the American population is the decline in fertility. At the turn of the century, the U.S. fertility level was estimated at eight children per woman; today it stands at 1.9. The 1.9 level means that we are beneath the level (estimated at 2.1) to keep our population constant. While the baby boomers are spawning a baby boom echo with the number of newborns hovering at a post-baby boom high, the fertility rate has hit an historic low.

This year should be the peak for the baby boomlet according to the Census Bureau's middle series projections. According to Bureau projections, births to teenagers should decline through 1995, reflecting the lower birthrate of the mid-1970s. The number of births to women aged 20-29 should peak this year and account for 60 percent of births. The number of births to women 30-34 will rise through 1990 and for those aged 35-39, births will increase through 1995. After that, however, births to women in their 30's -- about one-fourth of all births -- should decline as the baby boom enters middle age.

NUMBER OF LIVE BIRTHS, OREGON

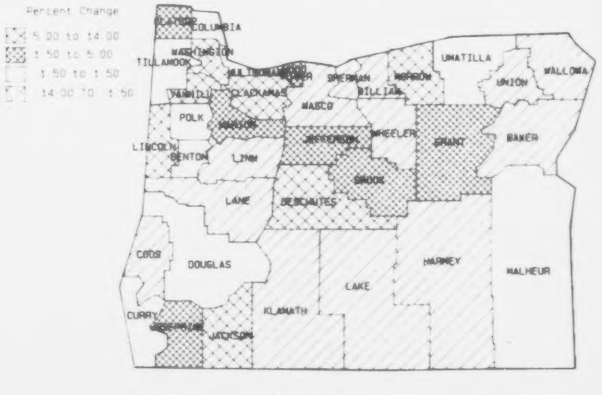
1908 to 1986



Source Oregon Vital Statistics

PERCENTAGE CHANGE IN POPULATION

1980 to 1987



Source Center for Population Research and Census
Portland State University

American women, though, have not been keeping up with the Bureau's projections. Many demographers believe that fertility levels will remain low and could drop further. The entrance of large numbers of women into the work force, together with modern contraceptives which became widely available in the 1960s and 1970s, have afforded women the choice to be more financially independent and to control their fertility.

Labor Force Implications

The labor force will be shaped primarily by three factors: the aging of the baby boomers, the shortage of entry level workers due to the birth dearth, and the influx of women into the work force. If the number of immigrants increases significantly, this influx could offset somewhat the shortage of entry level workers. Higher proportions of Hispanic and Asian immigrants may alter the ethnic composition of Oregon as well as the nation.

Together, women, minorities, and immigrants will account for about 80 percent of the new additions to the U.S. work force between now and the year 2000.

The Census Bureau, putting together current fertility and mortality trends, believes that the U.S. population and labor force will continue to grow, but more slowly than in recent decades. More women will enter the work force, but the rate of increase will taper off. Together, women, minorities, and immigrants will account for about 80 percent of the new additions to the U.S. work force between now and the year 2000.

A slower rate of labor force growth suggests tighter labor markets, especially for entry level workers. On the other hand, baby boomers face strong competition among themselves for jobs, and evidence of this competition is apparent in unemployment rates. Traditionally, 25-34 year olds have experienced an unemployment rate that was lower than the rate for all workers. This has been less so in recent years as the baby boomers completely took over that age category. The decline in the number of teenagers, however, has reduced some of the upward pressure on overall unemployment.

The leading edge of the baby boom has just turned 40 and will not be retiring for another 30 years. Over that time, employers will face a curious demographic twist in their internal labor markets. According to Carnevale and Gainer, that twist involves a tripartite split in labor market conditions. First, there is likely to be a decline in both the quantity and quality of entry level employes. At the same time, there is likely to be a glut of mid-career baby boomers whose careers will plateau, giving rise to worrisome frustration in the work place. An added complication will be the growing number of older employes who will block the higher rungs on career ladders because firms cannot afford to retire them.

The increase of middle-aged workers may put great pressure on seniority systems, with traditional expectations of advancement based on age being undermined by demographics. Also, older workers who lose their jobs will have a particularly difficult time matching previous salaries when they find new jobs.

Due to the scarcity of educated entry level workers, employers will face increased costs of upgrading prospective hires through training and development, and providing compensation and career development packages to attract the best talent. "Cost creep" is likely to be another problem if employers create too many "good" jobs in order to satisfy demands for advancement and engage in alternative work arrangement to siphon off employe frustration. Yet, employers may find themselves less able to create more "good" jobs if competitive pressures are high to keep costs down.

Employers may try to encourage older employes to retire early in order to provide financial resources and promotions for mid-level and entry level employes. Continued early retirement, and entry level shortages could create contrary incentives favoring retention of older employes.

Although growth in the work force will slow, two-income households may encourage skilled, higher paid individuals to retire early, just at the time that their skills are coming into short supply. Increased use of unemployment and disability insurance systems may also result. Today, about one-third to one-half of those who retire early say they did so because of health or lack of employment prospects. If this same proportion holds, the growth in elderly will strain disability systems.

A benefit of the tighter entry level market may mean that more opportunities will attract "at risk" youth into the labor force. The biggest road block for them will be illiteracy. Tighter labor markets should foster greater use of the abilities of minorities, women, and the handicapped. A narrowing of occupational and earnings gaps could also occur.

An aging work force may imply greater experience, stability, reliability, and productivity, but it may increase the rigidity of the economy. An older, more stable work force will be less likely to move than a younger one. As the baby boomers reach the middle years of mortgages and children in school, their willingness to pull up stakes in response to new opportunities or changing conditions will decline. Similarly, this more mature work force may be harder to train and retrain than today's employes -- at the very time when such training is essential.

Basic educational competencies and literacy will become ever more important. For children, this may mean much greater emphasis on early childhood education. Among teenagers and young adults, it may require a concerted effort to eliminate illiteracy. Adults will need lifelong training and retraining.

Former Secretary of Labor William E. Brock estimates that in the early 1990s, probably 75 or 80 percent of new jobs will require some kind of post-secondary training experience. The risk of creating two classes of workers -- one highly skilled, highly employable, and greatly advantaged economically; and the other class almost unemployable and poor -- is great.

Studies have revealed that the labor market's response to the rising educational level of an expanding labor force was a relative weakening of the labor market position for high school graduates, compared with those with higher levels of education. Although unemployment rises and falls for all educational groups over the course of the business cycle, the higher educated group tends to suffer less unemployment.

Bureau of Labor Statistics Commissioner Janet Norwood questions whether the jobs that will likely be generated in the future will accommodate the emerging labor force. On the one hand, the projected strong growth in highly skilled professional, managerial, and technical occupations will make it easier for the growing proportion of college-educated workers to find the jobs for which they will be searching. On the other hand, the shift away from factory operative and labor occupations may make it more difficult for persons with less education to find a job.

Clearly, the changes in our population will permeate nearly every aspect of our lives. Demographics will influence not only the nature of the labor force, but also the course of the economy and our social, educational, and health care systems as well. If we understand the implications, we can establish policies and take actions to help mold the future.

YOUTH - OREGON'S ANSWER TO THE FUTURE

Don Steward

The Employment Division is spearheading a project which will focus on the major problems and pressures facing Oregon's most valuable resource - our youth. At the request of Ted Coonfield, Assistant Project Director of the Student Retention Initiative, the Employment Division is taking the lead in producing a special targeted statistical report and analysis on youth. The report will also include an interpretation of their future potential as recruits to the labor market in the year 2000. A companion piece to this publication will be an illustrative brochure that will be used by the Governor as he continues to build awareness of the Children's Agenda.

Oregon's future is dependent upon our youth's successful transition to adulthood and the labor force. Because of that, it is imperative that the public be made aware of the obstacles facing youth in order to insure their future success. The publication and brochure will present straightforward facts and statistics that reflect the current status of Oregon's youth population and provide a forecast of the future. Targeted areas will include student dropout rates, statistics on teen pregnancy, crime, drug and alcohol abuse, facts on mental health, ethnic background and poverty levels. It is the intent of this project to paint a comprehensive picture of the world that influences the future of our youth--Oregon's most valuable resource.

Parents as well as decisionmakers at the state and local level will benefit most from these publications. Clarifying all the factors affecting our youth is certainly something we all need in order to understand the challenges they face.

Data for the brochure has been gathered by six divisions within the Department of Human Resources which include the Employment Division, Children Services Division, Mental Health Division, Health Division, Adult and Family Services Division, and the Drug and Alcohol Abuse Programs. Other contributing state agencies are Juvenile Services Commission, Department of Corrections, Oregon Economic Development Department, and Department of Education.

Being the lead agency for the project, the Employment Division collected, edited and organized the data for inclusion into the brochure. As a contribution to the Children's Agenda, General Services is covering the cost of printing the brochure. Statewide distribution of the brochure is anticipated to begin in November. The full youth report should be available in early 1989. ☐

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Aug.[2] 1988	July[3] 1988	Aug. 1987	Aug.[2] 1988	July[3] 1988	Aug. 1987	Aug.[2] 1988	July[3] 1988	Aug. 1987
TOTAL MANUFACTURING[4]	$403.37	$419.64	$411.59	38.6	39.0	39.5	$10.45	$10.76	$10.42
Durable Goods	414.26	428.76	426.52	38.5	39.3	40.2	10.76	10.91	10.61
Lumber & Wood Products	402.80	429.18	433.49	37.4	38.7	40.4	10.77	11.09	10.73
Logging & Sawmills	426.49	465.73	461.09	35.9	38.3	40.2	11.88	12.16	11.47
Veneer & Plywood	397.95	422.07	426.21	37.9	38.9	41.1	10.50	10.85	10.37
Millwork & Structural	353.57	351.55	372.81	40.5	39.5	40.7	8.73	8.90	9.16
Mobile Homes	326.82	314.71	318.42	40.1	37.2	36.6	8.15	8.46	8.70
Other Wood Products	387.38	411.29	418.48	37.5	39.7	40.2	10.33	10.36	10.41
Furniture & Fixtures	331.13	327.71	319.69	37.5	35.2	35.8	8.83	9.31	8.93
Primary Metals	508.13	507.36	505.68	40.2	42.0	42.0	12.64	12.08	12.04
Fabricated Metals	395.50	399.92	380.57	40.9	41.4	40.4	9.67	9.66	9.42
Machinery (Ex Electrical)	425.37	438.59	450.06	38.6	39.3	40.4	11.02	11.16	11.14
Nondurable Goods	375.58	393.84	376.96	38.8	38.2	38.0	9.68	10.31	9.92
Food & Kindred Products	301.48	321.64	290.82	38.9	37.4	37.0	7.75	8.60	7.86
Canning & Preserving	260.52	274.54	242.48	39.0	37.0	36.3	6.68	7.42	6.68
Other Food Products	399.38	401.19	404.42	38.7	38.1	38.7	10.32	10.53	10.45
Textile Mill Products	220.61	219.79	217.33	32.3	31.0	33.8	6.83	7.09	6.43
Apparel	210.28	206.64	225.90	32.5	31.5	37.4	6.47	6.56	6.04
Paper & Allied Products	608.39	652.08	630.92	41.9	44.0	40.6	14.52	14.82	15.54
Printing & Publishing	462.38	434.07	450.89	37.9	37.1	37.7	12.20	11.70	11.96
Construction[4]	557.67	545.97	502.46	38.7	38.1	37.0	14.41	14.33	13.58
Communications & Utilities[5]	525.16	540.89	523.06	40.9	41.8	40.8	12.84	12.94	12.82
Trade[5]	299.81	316.30	304.32	34.5	35.7	35.1	8.69	8.86	8.67
Wholesale Trade	389.82	420.03	411.16	36.5	39.0	38.0	10.68	10.77	10.82
Retail Trade	252.50	262.48	249.98	33.4	34.0	33.6	7.56	7.72	7.44
Banking & Insurance[5]	322.20	342.99	327.08	36.0	38.8	37.9	8.95	8.84	8.63
State & Local Government	400.79	401.11	388.59						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

LABOR SURPLUS AREAS

Jeff Hannum

Labor surplus areas are areas with high unemployment rates to which Federal procurement contracts can be directed. Rather than classifying these areas by metropolitan area or by labor market area, the U.S. Department of Labor classifies them on the basis of civil jurisdictions. At present these are defined as all cities with a population of at least 25,000 and all counties.

A civil jurisdiction is classified as a labor surplus area when its average unemployment rate is at least 20% above the average unemployment rate for the Nation during the previous two calendar years. Two exceptions may occur during periods of high or low national unemployment. During periods of high national unemployment (i.e. a rate above 8.3%), an area is classified as a labor surplus area if its average rate is 10% or more. During periods of low national unemployment (i.e. a rate below 5.0%), a 6.0% 'floor' comes into effect. No area with an unemployment rate of less than 6.0% would be considered a labor surplus area.

Under certain exceptional circumstances, an area not meeting any of the above criteria may be considered a labor surplus area if a significant increase in unemployment takes place which is not reflected in the rate for the previous two years.

In 1986-87, the average unemployment rate for the U.S. was 6.7%. Therefore, the qualifying rate for labor surplus areas is 8.0% (1.2 times 6.7%). The following table lists 24 areas in Oregon which were designated labor surplus areas by the U.S. Department of Labor for the period October 1, 1988 to September 30, 1989. In the previous 12 month period, there were 33 labor surplus areas in Oregon. Employers located in a labor surplus area, or which agree to carry out a substantial portion of the contract in one of these areas, currently qualify for bidding preference on certain Federal procurement contracts.

Oregon Labor Surplus Areas
Eligible for Federal Procurement Preference
October 1, 1988 through September 30, 1989

Albany City in Linn County
Baker County
Columbia County
Coos County
Crook County
Deschutes County
Douglas County
Grant County
Harney County
Hood River County
Josephine County
Klamath County
Lake County
Linn County less Albany City
Malheur County
Morrow County
Sherman County
Springfield City in Lane County
Tillamook County
Umatilla County
Union County
Wallowa County
Wasco County
Wheeler County

Employers interested in bidding on Federal contracts should consult the **Commerce Business Daily** which lists Federal contracting requirements and indicates those to be awarded under preference procedures. The Auburn Business Service Center of the General Services Administration can provide additional information concerning Federal contracting opportunities in Alaska, Idaho, Oregon and Washington.

Contact:

General Services Administration
15th and C street, SW
Auburn, WA 98001
Attn: Wiletta Brown
Ph. (206) 931-7956 □

NEW PUBLICATIONS

The 1988-89 edition of the **Occupational Outlook Handbook** is a valuable source of career information. Published every two years by the U.S. Bureau of Labor Statistics, it describes what workers do, working conditions, the training and education needed, earnings, and expected job prospects for selected occupations covering a wide spectrum of the Nation's economy. The cost of this publication is $22 (make checks payable to "Superintendent of Documents"). Copies of the publication and further ordering information is available from the new U.S. Government Printing Office Bookstore in Portland at the following address:

1305 SW First Ave.
Portland, OR. 97201
ph. (503) 221-6217

Did you ever wonder how important a particular industry was to Oregon's economy or any one of its counties in terms of number of firms, employment, or payroll? If so, you may want to obtain a copy of the **Oregon Covered Employment and Payrolls by Industry and County, 1987** publication which will be available in November. At the state level, firm counts, employment and payroll data are shown at the four-digit SIC level (Standard Industrial Classification codes). County data is shown at the two-digit industry level. If you are not already on the mailing list and would like a copy of this publication please contact:

Oregon Employment Div. R&S
Attn: Denise
875 Union St. NE
Salem OR. 97311
Phone: (503) 378-8654
Toll free: 1-800-237-3710
Ext. 8-8654 □

EMPLOYERS' CORNER - TRADE ADJUSTMENT ASSISTANCE

John Pegg

Mary's world looked bleak when she lost her job manufacturing electronic parts. After the aluminum plant closed, Michael had no job and no skills to market. Today, Mary is a highly trained emergency room nurse. Michael has a license to practice professional diving and all the work he can handle.

These people are part of the help that Trade Adjustment Assistance brings to Oregon workers whose jobs are affected by increased foreign imports. Under the Trade Act Congress passed in 1974, workers whose employment is adversely affected by increased imports may apply for a variety of valuable benefits and services.

For workers who find they need new skills or training to improve their job prospects, the Trade Act can change lives.

Mary and Michael took advantage of training. For workers who find they need new skills or training to improve their job prospects, the Trade Act can change lives. It provides for the full cost of training, including tuition, fees, and other related expenses. Training can include on-the-job training, vocational/technical school training, or formal college or university training. Remedial or basic training is also available if necessary. While individuals are attending school, subsistence allowances are available for transportation costs and living expenses if the training facility is out of the area. Most individuals receive unemployment insurance or special Trade Readjustment Assistance (TRA) weekly payments while in training.

For displaced workers who have marketable skills, job search allowances are available to cover expenses in seeking employment out of the area. If workers obtain a job outside the normal commuting area, the Trade Act offers money for relocating to the new area. Relocation allowances cover 90% of all the reasonable expenses of moving family and household goods. To help the worker settle in the new area of employment, the Trade Act provides a lump sum payment of up to $800.

Funding for the program comes entirely from money appropriated by Congress through the Department of Labor. As part of a new comprehensive trade act recently passed by Congress, the Trade Act received additional funding and placed a new emphasis on retraining affected workers in useful, productive occupations. The local Employment Service office explores, identifies, and develops for workers a whole range of supportive services designed to return the worker to productive employment.

How do people qualify? The first step in establishing group eligibility for workers whose jobs have been affected by foreign imports is to file a petition with the Department of Labor in Washington, D.C. Petitions may be filed by a group of three or more workers, their union, or an authorized representative. Any Employment Division office can provide a petition and information for filing for group eligibility.

Money that comes to Oregon through the Trade Act benefits the community as well as the recipients. Since 1985, Oregon has paid over three million dollars in TRA weekly payments to workers. Over two million dollars have been obligated for putting individuals in approved training programs, assisting with job searches, and relocating households to new areas of employment.

If you would like more information about Trade Act benefits, or if you know of workers who might be eligible because of the adverse effect of imports, contact the Employment Division. There is a designated TRA representative in each local office. ☐

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

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NOVEMBER 1988

OREGON LABOR TRENDS

—W.E. Hunter, Administrator • State of Oregon • EMPLOYMENT DIVISION • Department of Human Resources—

INDICATORS

UNEMPLOYMENT RATE

Oregon		*(Seas. Adj)*
Oct.	1988	5.6
Sept.	1988	6.1
Oct.	1987	5.9
U.S.		
Oct.	1988	5.3
Sept.	1988	5.4
Oct.	1987	6.0

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	*1977=100*	
Oct.	1988	123.5
Sept.	1988	122.4
Aug.	1988	122.2
July	1988	121.5
June	1988	120.6

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Sept.	1988	$10.56
Aug.	1988	$10.48
Sept.	1988	$10.65

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Sept.	1988	39.6
Aug.	1988	38.5
Sept.	1987	38.1

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan.-June 1988	113.6
Yearly change	3.4%
Annual Average 1987	110.9
Yearly change	2.5%
U.S.	
Oct. 1988	120.2
Yearly change	4.2%
Annual Average 1987	113.6
Yearly change	3.6%

Portland Hotline 221-4132

GOOD TIMES AND CONTRADICTIONS

Frank Ryals

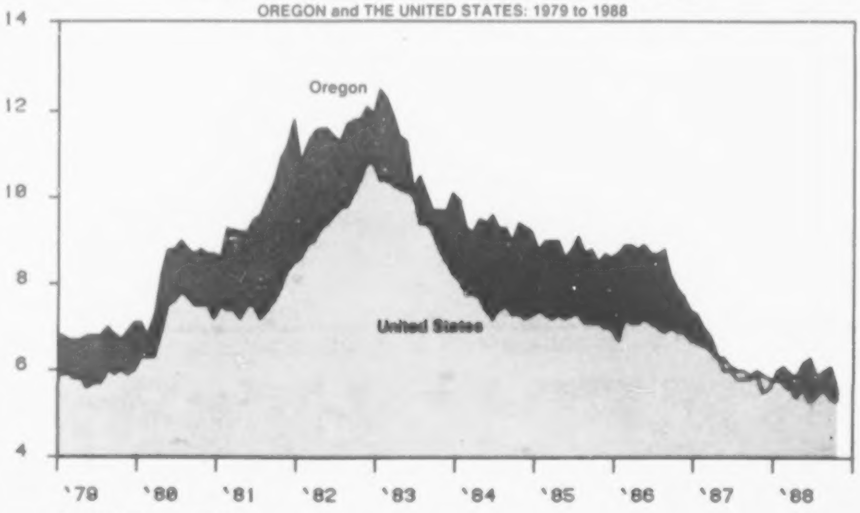
Even in the best of times, things happen within the Oregon economy which don't seem to square with what the state as a whole is doing. There are also times when the Oregon economy seems to ignore the larger world economy for a while and go its own way. Right now, both of these contradictions are apparently present, and explanations are in order.

The numbers which represent the current performance of Oregon's economy are good. They are very good. In fact, some of the numbers are the best that they have ever been. When numbers are this good, it is tempting to let them speak for themselves and lose track of their meaning. However, they carry important meaning for Oregon businesspeople and workers, and this meaning can be broken down into three points:

1. Oregon's recovery and economic expansion is real, at least in some parts of the state.
2. Oregon's expansion is continuing beyond the normal range of seasonal variations, and in spite of continuing plant closings and layoffs.
3. Economic growth in Oregon will probably continue until the U.S. or the world economies receive a shock--some major change that will affect Oregon's basic goods-producing industries: agriculture, lumber and wood products, and other manufacturing.

If all of this sounds like it is intended to inspire confidence in the Oregon economy, it is. These conditions should continue to prevail at least into the coming year. Even Eastern and Southern Oregon, areas of the state where the recovery is harder to find, should see further improvements.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1979 to 1988



*Civilian Labor Force Only

However, as Oregonians well know, there is no bright cloud without a dark lining and eventually some rain. Many economists foresee a recession by late 1989 or early 1990. Oregonians should not be surprised by this. The conditions which will spell a slowdown of the Oregon economy all hinge on interest rates which are heavily influenced by the Nation's Central Bank, the Federal Reserve. Inflation, the factor which is most likely to lead the Fed to raise interest rates, may have any number of causes, from labor shortages to plant capacity constraints, to oil price hikes, to problems with the Federal budget deficit, to further devaluation of the dollar against foreign currencies.

Oregon is now better positioned to weather the next recession compared with the early 1980s.

Rising interest rates put the skids to the Oregon economy in two key ways:

1. High interest rates diminish housing starts and other types of construction nationally, which then reduces the demand for and the price of Oregon wood products.
2. Oregon's own construction industry, both residential and nonresidential, also typically suffers when interest rates climb.

When these two basic industries decline, the state as a whole has never failed to follow. But not to worry, because Oregon is now better positioned to weather the next recession compared with the early 1980s. There are several reasons for this:

1. The lower value of the dollar will help to insulate Oregon's export and import-sensitive industries from the next recession.
2. Many sawmills, plywood and veneer mills have automated their production processes, making them "leaner and meaner" in terms of employment.
3. Oregon residential contractors have not gone on another housebuilding binge like they did in the late 1970s. They won't have as far to fall if demand for new housing and other construction work slackens. And barring contract cancellations, there are a large number of industrial, commercial, and public construction projects currently underway or planned during the 1989-90 period.

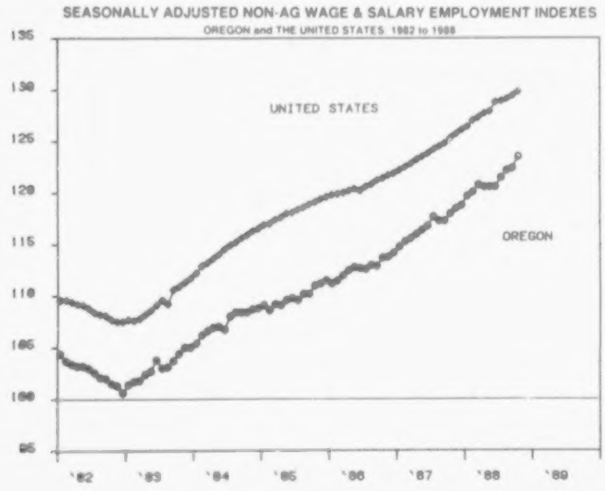
So far, this has been a discussion of an imaginary recession in the midst of an economic boom. It seems to be a good time to also discuss plant closures and layoffs in an industry which is definitely enjoying its share of the current recovery.

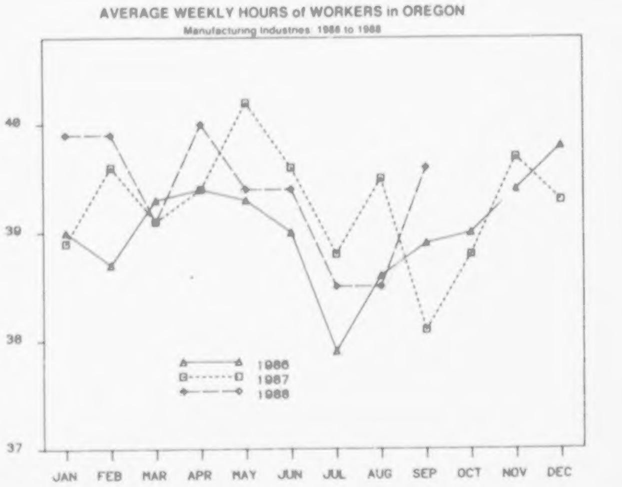
How can an industry gain in employment while at the same time lose hundreds of jobs as plants close and shifts cut back? What can be said for an industry which can perform this seemingly schizophrenic feat? The lumber and wood products industry sent just such mixed signals during October. Logging was up by a whopping 3,500 jobs over September. This is because earlier labor disputes and forest fire dangers had subsided, and the industry made up for lost time. In fact, the average workweek in logging rose from just 27 hours per worker in September to a more ambitious 41 hours per worker in October. Logging payroll climbed from $3.3 million in September to $7.0 million in October.

Sawmills, however, lost 400 employment in October. This decline was 200 more than expected for the month, and it is partly due to the mills running out of logs before the fruits of the loggers' overtime could reach them.

However, not all sawmill layoffs are caused by normal seasonal changes. Oregon has seen the more or less permanent loss of some 5,700 sawmill workers, and 4,700 more plywood, veneer, and specialty mill workers since 1979. These long-term losses were accompanied by the closings of many of the mills themselves during these years. Now, early in November, Willamette Industries announced the February 1989 closing of its sawmill and the abandonment of the second shift of its veneer plywood mill in Sweet Home. The sawmill currently provides 80 jobs and the veneer plant has 22 jobs on the second shift. These jobs will be sorely missed in eastern Linn County. In addition, Weyerhaeuser announced a shift cutback at its Coos Bay sawmill affecting 50 workers in January. Nor are these plant closings alone. Bohemia, Inc. recently closed its mill at Saginaw, south of Eugene. This resulted in around 60 lost jobs in Lane County. Also, close enough to home to count is the closing of Weyerhaeuser's sawmill and veneer plant in Longview, Washington.

These closings, together with shift cutbacks at other mills around the state and the completion of the closing of the Cascade Locks sawmill in Hood River County, present a picture which is difficult to understand in an industry which seems to have no trouble selling its wares.





RESIDENT OREGON LABOR FORCE

	OCT.[1] 1988	SEP.[2] 1988	CHANGE	%CHANGE	OCT.[5] 1987
CIVILIAN LABOR FORCE[3]	1,415,700	1,421,700-	6,000-	0.4	1,410,600
UNEMPLOYMENT	70,000	76,300-	6,300-	8.3	74,000
PERCENT OF LABOR FORCE	4.9	5.4	XXX	XXX	5.2
SEASONALLY ADJUSTED PERCENT	5.6	6.1	XXX	XXX	5.9
TOTAL EMPLOYMENT[4]	1,345,700	1,345,400	300	0.0	1,336,600

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[1] *Preliminary.*

[2] *Revised.*

[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*

[4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*

[5] *Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	OCT.[1] 1988	SEP.[2] 1988	OCT. 1987	SEP. 1988	OCT. 1987
TOTAL[3]	1,176,300	1,161,300	1,121,100	15,000	55,200
WAGE & SALARY EMPLOYMENT INDEX[4]	123.5	122.4	117.7	XXX	XXX
TOTAL MANUFACTURING	219,000	219,400	210,000	-400	9,000
DURABLE GOODS	157,600	156,300	150,500	1,300	7,100
LUMBER & WOOD PRODUCTS	69,600	67,700	67,300	1,900	2,300
LOGGING & SAWMILLS	36,100	33,100	34,100	3,000	2,000
VENEER & PLYWOOD	17,000	17,700	17,800	-700	-800
MILLWORK & STRUCTURAL WOOD	10,900	11,200	10,100	-300	800
MOBILE HOMES	1,800	1,700	1,500	100	300
OTHER WOOD PRODUCTS	3,800	4,000	3,800	-200	0
FURNITURE AND FIXTURES	2,600	2,600	2,600	0	0
STONE, CLAY, GLASS & CONCRETE	4,000	4,000	3,700	0	300
PRIMARY METALS	10,400	10,300	9,600	100	800
BLAST FURNACES, IRON & STEEL	6,100	6,100	5,700	0	400
NONFERROUS METALS	4,300	4,200	3,900	100	400
FABRICATED METALS	11,400	11,400	10,600	0	800
FABRICATED STRUCTURAL METALS	5,200	5,100	4,600	100	600
OTHER FABRICATED METALS	6,200	6,300	6,000	-100	200
MACHINERY	16,500	16,400	15,800	100	700
ELECTRICAL EQUIPMENT & SUPPLIES	15,400	15,400	13,800	0	1,600
TRANSPORTATION EQUIPMENT	12,700	13,400	11,500	-700	1,200
INSTRUMENTS & RELATED PRODUCTS	11,600	11,700	12,100	-100	-500
MISCELLANEOUS MANUFACTURING	3,400	3,400	3,500	0	-100
NONDURABLE GOODS	61,400	63,100	59,500	-1,700	1,900
FOOD & KINDRED PRODUCTS	26,800	28,400	26,100	-1,600	700
CANNING & PRESERVING	15,400	17,500	15,000	-2,100	400
OTHER FOOD PRODUCTS	11,400	10,900	11,100	500	300
TEXTILE MILL PRODUCTS	1,900	1,900	1,800	0	100
APPAREL	3,200	3,100	2,600	100	600
PAPER & ALLIED PRODUCTS	8,600	8,800	9,100	-200	-500
PRINTING & PUBLISHING	13,500	13,500	12,900	0	600
CHEMICALS & ALLIED PRODUCTS	2,200	2,200	2,000	0	200
PETROLEUM REFINING	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,300	4,300	4,000	0	300
LEATHER PRODUCTS	400	400	500	0	-100
TOTAL NONMANUFACTURING	957,300	941,900	911,100	15,400	46,200
MINING & QUARRYING	1,500	1,500	1,500	0	0
CONSTRUCTION	40,800	41,300	37,400	-500	3,400
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	60,700	60,200	59,100	500	1,600
TRANSPORTATION	39,200	38,800	37,800	400	1,400
RAILROAD	3,800	3,800	4,000	0	-200
TRUCKING & WAREHOUSING	22,100	21,700	21,500	400	600
OTHER TRANSPORTATION	13,300	13,300	12,300	0	1,000
COMMUNICATIONS	12,800	12,700	12,600	100	200
UTILITIES	8,700	8,700	8,700	0	0
TRADE	304,700	302,700	282,500	2,000	22,200
WHOLESALE TRADE	77,500	77,500	71,300	0	6,200
DURABLE GOODS	44,500	44,600	41,400	-100	3,100
NONDURABLE GOODS	33,000	32,900	29,900	100	3,100
RETAIL TRADE	227,200	225,200	211,200	2,000	16,000
GENERAL MERCHANDISE	30,000	28,900	27,900	1,100	2,100
FOOD STORES	39,900	38,500	34,900	1,400	5,000
AUTO DEALERS & SERVICE STATIONS	27,600	27,800	26,200	-200	1,400
OTHER RETAIL TRADE	129,700	130,000	122,200	-300	7,500
FINANCE, INSURANCE, & REAL ESTATE	74,000	75,000	71,900	-1,000	2,100
BANKING & CREDIT AGENCIES	23,900	24,100	23,600	-200	300
OTHER FINANCE, INSURANCE, & REAL ESTATE	50,100	50,900	48,300	-800	1,800
SERVICES	260,500	259,500	247,100	1,000	13,400
HOTELS & PERSONAL SERVICES	26,600	27,400	26,300	-800	300
HEALTH SERVICES	79,500	79,000	75,600	500	3,900
OTHER SERVICES	154,400	153,100	145,200	1,300	9,200
GOVERNMENT	215,100	201,700	211,600	13,400	3,500
FEDERAL GOVERNMENT	31,100	31,600	31,100	-500	0
STATE GOVERNMENT	60,900	55,700	59,500	5,200	1,400
EDUCATION	25,700	19,800	24,900	5,900	800
OTHER STATE	35,200	35,900	34,600	-700	600
LOCAL GOVERNMENT	123,100	114,400	121,000	8,700	2,100
EDUCATION	77,700	68,400	77,100	9,300	600
OTHER LOCAL	45,400	46,000	43,900	-600	1,500
LABOR – MANAGEMENT DISPUTES	800	1,100	0	-300	800

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[1] *Preliminary.*

[2] *Revised.*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

The reasons for these closures are complex, more complex than the industry or the media have usually reported. The problem is not merely a political decision to enlarge wilderness areas or to save some old growth forests. What is really happening is the continuing long-term modernization and restructuring of the lumber and wood products industry, a process which began in the late 1970s and which was accelerated during the recession of the 1980s. Key changes which are part of the "peristroika" include:

1. Retooling mills with automated saws and production lines. This usually results in a mill which employs about half of its former work force, but with increased production capacity and less waste.
2. Retooling mills to be able to accept smaller second-growth logs. Many older mills, including these latest closures, are equipped to cut only large old-growth timber.
3. Retooling allows almost instant changes in sizes of the finished products. Shorter reaction times to changes in lumber markets make Oregon companies more competitive, and the ability to switch to metric board sizes increases the mills' export potential.

The lumber and wood products industry will continue to be an essential and basic industry, but it will require fewer workers to get the job done.

Older lumber and plywood mills have none of these advantages. Furthermore, no matter how many acres of old-growth forest are saved or cut, for all practical purposes old-growth timber is not renewable unless rotation cycles are dramatically lengthened to 200 years or longer. Since this is not feasible and would in itself result in a drastic reduction in the annual harvest of old-growth timber, its yield cannot be sustained perpetually as can second-growth forests and tree farms. So the closing of these mills is not dependent upon seasonal or current market cycles, but upon long-term, permanent changes in the forests upon which the industry depends. If they don't retool, nothing will save these mills in the long run; they all will close eventually. The political questions with which the industry, government, environmental groups, and others are now wrestling are a matter of *when* these mills close, not *if*.

So, it is consistent that mill closures will continue to occur in Oregon communities, even while the lumber industry as a whole continues to recover from its last deep recession. This process will probably not be complete until virtually all of the remaining sawmills and plywood mills are of the new, automated variety. The lumber and wood products industry will continue to be the essential, basic industry that it is, but it will require fewer workers to get the job done.

Another lumber and wood products sector worthy of note is the millwork and structural members industry. Although down 300 workers from September owing to a combination of the ending construction season and the seasonal lumber shortage, it is still 800 jobs above a year ago.

An October surprise winner is mobile home manufacturing which added 100 workers to reach 1,800, its best level in four years. Employment in this sector is 300 ahead of its October 1987 level.

Continuing to look at durable goods manufacturing, no news is good news. Most firms in these industries changed very little over last month, with the largest change being an employment loss of 500 in ship/boat building and repair, a traditionally volatile industry. The important thing to note with these manufacturers is that they have achieved an almost 5,000 job increase over a year ago. This is good evidence of the strength of Oregon's economy.

Turning to the nondurable goods manufacturing industries, the story is similar. Only a small part of this month's changes in employment is due to economic factors. The highly seasonal canning and preserving sector of the food and kindred products industry lost 2,000 jobs in October, but it was expected to lose 500 more than that. This time of year, seasonal cannery workers who are still working will probably be laid off next month. The weather is the main factor determining the length and output of the food processing season.

Two other nondurable goods manufacturing industries which need mention are apparel and paper and allied products. Apparel gained another 100 jobs in October. Not only is this 600 above last October, but 3,200 is the highest employment level for this industry since June 1980. This is a welcome trend in an Oregon industry which has seen numerous layoffs, plant closings, technological restructuring, and foreign competition during the 1980s.

Paper and allied products employment declined by 200 between September and October. Firms in this industry typically hire temporary summer help to fill in for vacationing permanent workers. In September, both the temporaries and the permanent workers on paid vacation were on the payroll and counted as employed. By October, replacement workers were laid off as regular employees returned from vacation. The 500 loss in paper industry employment from October 1987 is almost entirely due to unresolved labor disputes.

Construction this month was a mixed bag, but with overall seasonal strength. The entire industry has 3,400 more jobs than a year ago, but residential construction jobs are down from last year. Taking up the slack (and then some) is nonresidential construction which is averaging 1,300 more jobs than last year, and the specialty trades (plumbing, heating, electrical, etc.) which is up by 1,800 jobs since October 1987. The entire industry kept 400 more jobs than seasonally expected this month; the dry weather certainly did not impede their work.

Moving now to transportation, communications, and utilities, it must be noted that this set of industries has gained 1,600 jobs in the past year, with transportation alone accounting for 1,400 of that gain. Within transportation, remember the big increase in hours worked by loggers in October? Someone had to haul all of the logs, and this shows up in trucking and warehousing's employment gain of 400 over September. The total of 22,100 jobs for this industry is the highest October on record.

Trade, as a whole, boasts 22,200 more employment that it had at this time last year, with retail trade accounting for 16,000 of this increase. Even more impressive is the gain made by retail trade in October over the previous month. The 2,000 job increase is unseasonably early this year and reflects retailers' optimism for the Christmas season coupled with their concern over getting enough qualified seasonal employees in an increasingly competitive labor market. Perhaps by hiring a month earlier than traditionally, retailers are nailing down the extra help they will need well before the Christmas rush.

Food stores, in addition, are experiencing the influx of several chains of stores not previously seen in the state. This could account for at least part of the 1,400 job jump over September and 5,000 employment increase over one year ago. Also, many existing stores are enlarging and adding new departments such as on-site bakeries, delicatessens, and pharmacies, all of which requires additional personnel.

Finance, insurance, and real estate, although it has increased its employment by 2,100 in the past year, has lost 1,000 jobs since September. Banks and other credit institutions have lost 200 employment in the last month. Real estate has slipped by 500, but this is an expected seasonal decline; houses sell better when the sun shines. The 400 dip in security and insurance brokers and investors though is clearly not seasonal, and was not expected.

Seasonal changes are apparent in the monthly gains and losses in the services industries in October. Hotels and personal services lost 800 employment compared to September, but this is normal at the end of the summer tourist season. Health services added 500 employment.

October is the month that education, both public and private, reaches full school year employment levels. Private education, including all of the private colleges in the state, grew to 15,900; community colleges swelled to 11,400; public primary and secondary schools stood at 66,300, and state universities climbed to 25,700.

Other than public education, all levels of government lost small numbers of jobs in October, especially seasonal employees involved in park management, forest fire control, and construction projects.

So, even though Oregon's present good times cannot last forever, and even though plant closures and layoffs will continue to occur, Oregonians can enjoy the present prosperity and build upon it. However, they should keep themselves informed about national and global economic forces that will signal the next slowing of the Oregon economy. □

LMI PUBLICATIONS

The 1988-89 **Directory of Licensed Occupations in Oregon** was recently released by the Oregon Occupational Information Coordinating Committee (OOICC). This Directory contains information on over 100 occupations licensed by professional associations, boards and commissions. Citations for each occupation include information such as required education and training, when and where examinations are given, renewal and continuing education requirements, fees and the name and address of the licensing agency.

Copies of the **Directory of Licensed Occupations in Oregon** are available from Nancy Hargis, Executive Director, OOICC, 875 Union Street NE, Salem, OR 97311. Telephone (503) 378-8146. □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Sept.[2] 1988	Aug.[3] 1988	Sept. 1987	Sept.[2] 1988	Aug.[3] 1988	Sept. 1987	Sept.[2] 1988	Aug.[3] 1988	Sept. 1987
TOTAL MANUFACTURING[4]	$418.18	$403.48	$405.77	39.6	38.5	38.1	$10.56	$10.48	$10.65
Durable Goods	425.52	415.42	410.02	39.4	38.5	38.0	10.80	10.79	10.79
Lumber & Wood Products	417.49	405.75	405.45	38.8	37.5	37.3	10.76	10.82	10.87
Logging & Sawmills	431.15	431.14	413.60	36.6	36.2	35.2	11.78	11.91	11.75
Veneer & Plywood	442.24	400.81	419.52	41.8	38.1	40.3	10.58	10.52	10.41
Millwork & Structural	351.04	351.35	365.66	39.8	40.2	38.9	8.82	8.74	9.40
Mobile Homes	318.59	336.08	303.09	38.2	39.4	35.7	8.34	8.53	8.49
Other Wood Products	419.05	388.88	417.10	40.1	37.5	39.8	10.45	10.37	10.48
Furniture & Fixtures	307.82	328.71	320.11	35.3	37.1	35.1	8.72	8.86	9.12
Primary Metals	520.77	508.72	520.29	41.2	40.6	42.3	12.64	12.53	12.30
Fabricated Metals	398.34	388.09	365.77	40.4	40.3	38.3	9.86	9.63	9.55
Machinery (Ex Electrical)	434.64	423.50	437.19	38.6	38.5	39.0	11.26	11.00	11.21
Nondurable Goods	400.99	374.22	392.70	40.3	38.5	38.2	9.95	9.72	10.28
Food & Kindred Products	320.78	294.03	310.05	39.7	37.6	37.4	8.08	7.82	8.29
Canning & Preserving	279.30	250.73	267.84	39.9	37.2	37.2	7.00	6.74	7.20
Other Food Products	415.79	399.38	403.82	39.3	38.7	37.6	10.58	10.32	10.74
Textile Mill Products	221.78	228.42	215.76	33.4	34.4	33.4	6.64	6.64	6.46
Apparel	242.89	238.23	221.92	38.8	38.3	36.5	6.26	6.22	6.08
Paper & Allied Products	671.89	612.35	677.73	45.8	41.6	42.2	14.67	14.72	16.06
Printing & Publishing	479.70	461.24	450.49	39.0	37.9	37.2	12.30	12.17	12.11
Construction[4]	550.62	547.79	469.22	38.0	38.2	34.4	14.49	14.34	13.64
Communications & Utilities[5]	535.66	527.20	530.13	41.3	40.9	41.0	12.97	12.89	12.93
Trade[5]	313.98	301.00	301.02	35.2	34.4	34.6	8.92	8.75	8.70
Wholesale Trade	414.29	393.02	394.13	38.9	36.8	37.5	10.65	10.68	10.51
Retail Trade	260.62	253.32	252.88	33.2	33.2	33.1	7.85	7.63	7.64
Banking & Insurance[5]	342.14	321.66	314.87	38.4	35.9	37.0	8.91	8.96	8.51
State & Local Government	396.25	400.54	382.00						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

AVERAGE ANNUAL PAY BY STATE AND INDUSTRY, 1987

Jeff Hannum

The average annual pay of U.S. workers covered by State and Federal Unemployment Insurance (UI) programs increased by 4.5 percent to $20,855 in 1987, according to preliminary data recently released by the Bureau of Labor Statistics of the U.S. Department of Labor.

Annual pay data are compiled from tax reports submitted by employers under UI programs covering 101 million full-time and part-time workers. Average annual pay is computed by dividing total annual payrolls of employers covered by UI programs by average monthly employment for these employees. Included in the annual payroll data are bonuses, the cash value of meals and lodging when supplied, tips and other gratuities, and in many states including Oregon, employer contributions to certain deferred compensation plans such as 401 (K) plans. Monthly employment is based on the number of workers earning wages during the pay period including the 12th of the month. With few exceptions, all employees of covered firms are reported, including production and sales workers, corporation officials, executives, supervisory personnel, professional/technical and clerical workers.

States

Average annual pay increased in all states except Alaska and Wyoming between 1986 and 1987, as the Nation's economic expansion picked up momentum and surpassed the five year duration mark, Although Oregon experienced the largest unemployment rate drop of any state between 1986 and 1987 (8.5% to 6.2%), Oregon's rate of increase in average pay (3.1%) was below the U.S. average (4.5%).

This could be interpreted in a positive way, however, if we consider that Oregon's average inflation rate as measured by the Portland-Vancouver CPI-U was only 2.5% in 1987 compared with a 3.6% increase in the U.S. consumer price index.

Another positive factor which probably contributed to Oregon's smaller rate of increase in average annual pay was that nonfarm employment grew faster in Oregon (3.4%) last year than nationally (2.8%). Since new workers are typically hired at entry level rates of pay, the addition of many new employees tends to lower average pay levels.

AVERAGE ANNUAL PAY IN 1987

	1987	1986-87 Percent Change
United States	$20,855	4.5
Alabama	18,318	3.9
Alaska	28,008	- 1.5
Arizona	19,610	3.9
Arkansas	16,529	2.8
California	23,100	5.0
Colorado	20,736	2.3
Connecticut	24,322	8.0
Delaware	20,764	5.7
District of Columbia	28,477	4.9
Florida	18,674	5.6
Georgia	19,651	4.8
Hawaii	19,091	5.5
Idaho	17,062	2.6
Illinois	22,250	3.8
Indiana	19,692	3.5
Iowa	17,292	4.2
Kansas	18,424	2.7
Kentucky	18,008	3.7
Louisiana	18,707	2.3
Maine	17,447	6.9
Maryland	21,324	6.0
Massachusetts	22,486	7.5
Michigan	23,081	1.6
Minnesota	20,450	4.2
Mississippi	15,938	3.4
Missouri	19,601	3.6
Montana	16,438	2.2
Nebraska	16,526	2.6
Nevada	19,521	4.2
New Hampshire	19,414	6.1
New Jersey	23,842	6.9
New Mexico	17,767	2.7
New York	24,634	6.2
North Carolina	17,861	5.1
North Dakota	16,157	2.4
Ohio	20,568	3.3
Oklahoma	18,615	1.5
Oregon	**18,888**	**3.1**
Pennsylvania	20,408	5.2
Rhode Island	18,858	6.3
South Carolina	17,279	4.1
South Dakota	14,963	3.4
Tennessee	18,501	4.8
Texas	20,463	2.6
Utah	18,303	2.5
Vermont	17,703	5.0
Virginia	19,963	5.2
Washington	20,110	2.4
West Virginia	18,820	2.3
Wisconsin	18,890	3.8
Wyoming	18,817	- 0.8

Based on annual earnings per worker in 1987 by state, Oregon was once again near the middle of the pack at $18,888. The District of Columbia ($28,477) replaced Alaska ($28,008) at the top of the heap, while South Dakota ($14,963) continued to hold last place.

In recent years candidates running for elective office have often asked voters "Are you better off now than you were before?" For many workers the answer depends on how you define and measure "better off". For example, if we look at covered employment and payroll data for Oregon since the mid-1970s, it is true that average annual earnings per worker have increased every year from 1976 ($10,691) to 1987 ($18,888), an increase of 77%!

The average worker's paycheck has not kept up with inflation during the past decade.

But now let's adjust these earnings figures to remove the effects of inflation. If we use the Portland Consumer Price Index for All Urban Consumers (CPI-U) to measure inflation during this 12 year period (+95%), real annual earnings per Oregon worker in 1987 dollars have fallen by 9.2%, or $1,916 per worker. If we look at a more recent period, 1979 to 1987, inflation drops to 44% but real annual pay still declines by about 1%, or $123.

The loss of purchasing power per worker has been even greater if we use the U.S. CPI-U to measure inflation during both periods. Based on this standard, consumer prices rose by 100% between 1976 and 1987, and real annual earnings per worker in Oregon fell by 11.5%, or $2,460. Between 1979 and 1987, consumer prices jumped by 56% while real annual pay per worker declined by 8.6%, or $1,766. These trends in nominal and inflation-adjusted average annual earnings per worker are shown in the accompanying chart.

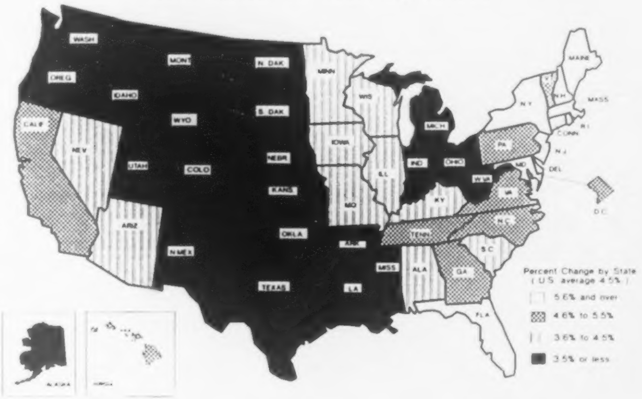
Of course, the answer to the "Are you better off now than you were before" question is more complex and ultimately depends on each persons unique situation with respect to taxes, income from other sources such as investments or other family members who are also employed, expenses, etc. True, more Oregonians than ever before are now employed and the State's unemployment rate this year may even average less than 6.0%. But the fact remains that despite these overall gains, the average worker's paycheck has not kept up with inflation during the past decade.

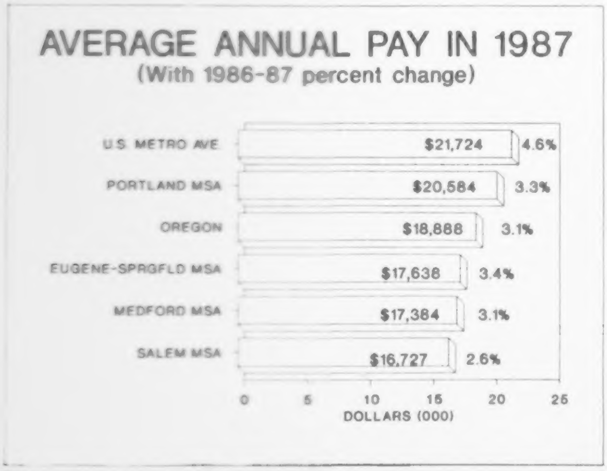
Industry

Average annual pay varies widely by industry. In Oregon, the highest paid workers ($25,739) in 1987 were employed in transportation, communication and utilities. Retail trade workers, many of whom work only part-time, earned by far the lowest average annual pay ($10,986). Together, retail trade and services have been generating the lion's share of new jobs in Oregon. Average earnings of service industry workers were also quite low in 1987 ($16,339), but these workers also enjoyed the largest percent increase in pay between 1986 and 1987. Rapid growth in two relatively well-paying sectors, health and business services, were contributing factors to the overall gain of 6.0% in annual earnings among service industry workers.

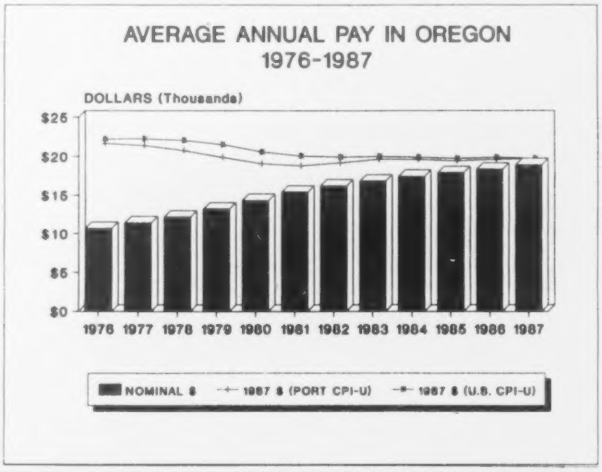
Oregon's small mining industry registered the only actual loss in average pay (-0.7%) in 1987. Workers in several other major industries (construction, manufacturing and retail trade), however, saw their average earnings grow so slowly that they failed to keep up with the 2.5% rate of inflation as measured by the Portland CPI-U. The following

Percent Change in Average Annual Pay from 1986 to 1987 by State





AVERAGE ANNUAL PAY IN 1987
(With 1986-87 percent change)



AVERAGE ANNUAL PAY IN OREGON
1976-1987

table shows average pay in 1987 by major industrial category and the percent change from 1986 to 1987.

	1987	1986-87 Percent Change
Mining	$24,457	- 0.7
Construction	$21,488	2.0
Manufacturing	$24,121	1.5
Transp., Comm. & Util.	$25,739	4.1
Wholesale trade	$23,811	3.5
Retail trade	$10,986	1.5
Fin., Ins. & R.E.	$20,693	5.5
Services	$16,339	6.0
Government	$21,120	3.2

Metropolitan Areas

The average pay for workers in 317 of the Nation's metropolitan areas last year was $21,724, an increase of 4.6% over 1986. Annual pay in all four of Oregon's major metropolitan areas was well below the U.S. average. This can be due to a number of factors including:

- the ratios of full-time to part-time workers
- the mix of industries and occupations
- the extent of unionization
- the rates of inflation in each local area
- the extent of unemployment insurance coverage in Oregon versus other states. (UI coverage is very broad and basically comparable from state to state. Last year, 90% of total civilian employment in the U.S. was under UI coverage.) ☐

EMPLOYER'S CORNER

Dorothy Monnier

Remember a few years back when there were a large number of well qualified job applicants for each job opening? Not so these days.

The concerns of the business community for a skilled workforce have never been greater than in the 1980s. In survey after survey, employers have identified the need for workers with stronger basic skills to accomplish tasks in the workplace of today and to adapt to the workplace of tomorrow.

More and more businesses are citing difficulties in finding qualified job applicants. We are offering the following recruitment and hiring suggestions for employers to consider during this upcoming labor shortage.

- Offer a competitive wage. If in doubt about wage rates, we will gladly provide you with local wage information.
- Offer a wage increase after a trial period. This is an incentive, and also gives you a chance to evaluate performance before increasing wages.
- Hire individuals at both ends of the age spectrum. Youths aged 15 and 16 and older workers can be valuable employees!
- Consider training on the job when possible, or using personnel with related job skills. Upgrading skills is another possibility.
- Hire on a full-time basis rather than part-time. Benefits and other perquisites attract workers.
- Eliminate dead-end jobs by providing career ladders with known ways to advance on the job.
- Expand your applicant recruitment. One recommended method is to place a job order with us and put an ad in the newspaper, listing a job order number which we can provide to you. We will screen and refer only those who meet your job specifications.
- Begin recruitment early. Plan for more lead time in the recruitment and screening stage. If you wish, give us your applications which we can have applicants complete before we refer them to you.
- Consider providing free or low-cost child care, on-site or off-site, or contribute toward child care as an employee benefit.
- Consider adding a moonlighting shift if possible - a 4-hour evening or early morning shift to attract workers already working full-time.
- Draw from people living in outlying areas who can commute to work. Contact your nearest Oregon State Employment Division Office so we can expand the search for applicants using our computer match system to various areas in the state - as well as listing openings in other states for those who can relocate! Bus in seasonal workers when appropriate. ☐

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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DECEMBER 1988

OREGON LABOR TRENDS

—W.E. Hunter, Administrator • State of Oregon • EMPLOYMENT DIVISION • Department of Human Resources—

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)		
Nov.	1988	5.6
Oct.	1988	5.6
Nov.	1987	5.5
United States (Seas. Adj.)		
Nov.	1988	5.4
Oct.	1988	5.3
Nov.	1987	5.9

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)		
Nov.	1988	124.3
Oct.	1988	123.4
Sept.	1988	122.4
Aug.	1988	122.2
July	1988	121.5

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Oct.	1988	$10.68
Sept.	1988	$10.54
Oct.	1987	$10.45

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Oct.	1988	40.4
Sept.	1988	39.6
Oct.	1987	38.8

CONSUMER PRICE INDEX (CPI)
1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan.-June 1988	113.6
Yearly change	3.4%
Annual Average 1987	110.9
Yearly change	2.5%
United States	
Nov. 1988	120.3
Yearly change	4.2%
Annual Average 1987	113.6
Yearly change	3.6%

Portland Hotline 221-4132

NOVEMBER - "STEADY AS SHE GOES"

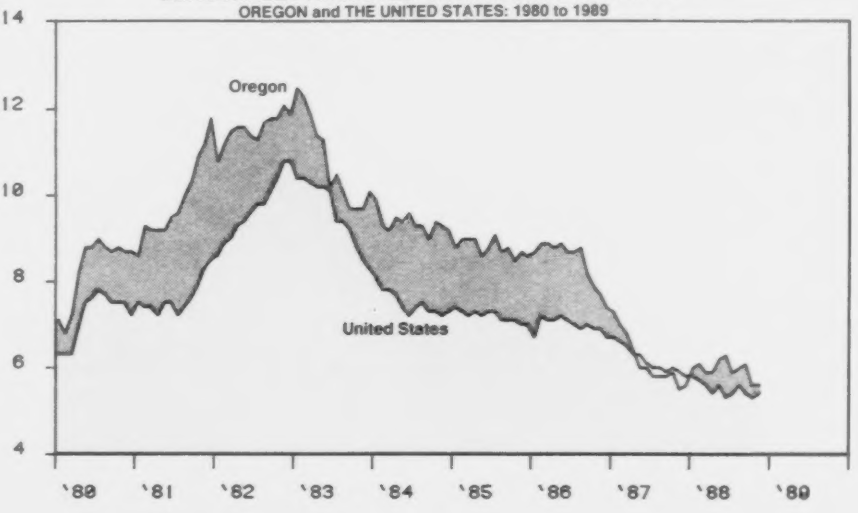
Michael D. Staten

It seems that some records are always made to be broken and mine are no exception. When I began writing this article, I thumbed through my archives of articles to determine when I last wrote the "lead" article for **Oregon Labor Trends**. I strongly believed that my 38 month absence from the front page of this esteemed publication must have been a record; one that I had the honor of breaking myself. But then I found a far more interesting record that had just been broken. (I must admit, I did find a clue from a previous edition of **Oregon Labor Trends**.)

I discovered that in November 1988, Oregon's monthly employment statistics demonstrated a "first of its kind" phenomenon; a gain in both the total employment and nonagricultural wage and salary employment levels from October. This is the first time that such a gain has occurred since the records were begun in 1947.

The total employment gain this year between October and November (1,500) was substantially greater than the 6,800 loss during the same time period in 1987. In addition, the gain in nonagricultural wage and salary employment exceeded last year's increase by fourfold (1,600 vs 300). Consequently, this was the first ever instance when the two indicators moved in a positive direction between October and November. This is dramatically reflected in the two accompanying graphs. In addition to all of this, November 1988 nonagricultural wage and salary employment posted a 55,400 increase over the year ago level, representing a healthy 4.9% growth. A comment should be added at this point that the annual benchmarking process for revising employment data (which is currently underway) may not support this trend, as happened last year.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

The downside of this good news, however, is that over half of the new jobs created in the past year appeared in the retail trade and services sectors; jobs which are historically in the lower pay levels. While this is indeed the season to see employment increases in these two industries, the October to November gain was significantly stronger (4,200) than anticipated in services.

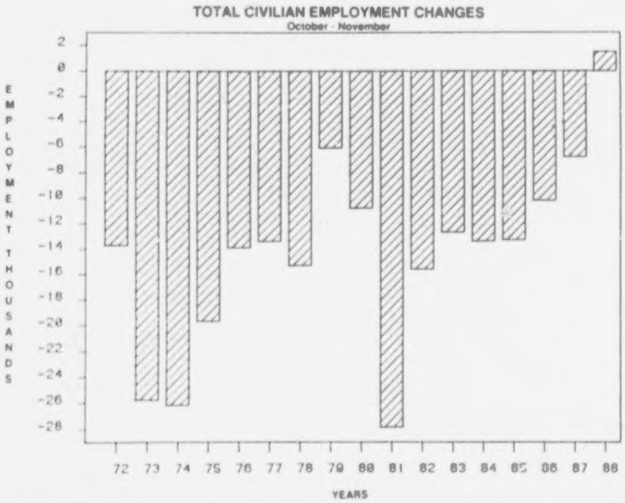
Oregon's overall economic health appears to be holding steady and making continued progress in creating new jobs over the year, as demonstrated by the nonagricultural wage and salary employment index. This seasonally adjusted index is a good measure of job trends in the State and is based solely on a monthly survey of Oregon employers. Only once in the past twelve months (April) has this indicator declined. The employment index for November 1988 was 124.3, which was 5.9 points higher than November of last year. This is definitely a strong gain and represents the highest level ever recorded by the index! Just an example of another record going by the wayside.

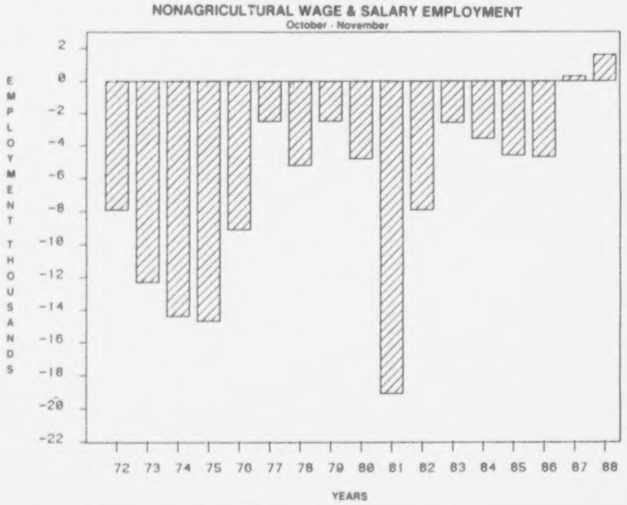
The 1988 annual average unemployment rate for Oregon will probably be in the neighborhood of 5.9%, the lowest in 19 years!

Oregon's seasonally adjusted jobless rate in November maintained a steady course remaining unchanged at 5.6%. Although comparisons between this year and 1987 are not strictly comparable, the November 1987 rate was 5.5%. This "holding steady" over the year in the jobless rate and a nearly 5% growth in nonagricultural wage and salary employment indicates that Oregon is continuing to enjoy the rewards of an improving economy. An additional element to consider is that the 1988 annual average unemployment rate for Oregon will probably be in the neighborhood of 5.9%, the lowest in 19 years!

Looking at specific industries and their recent performance in terms of employment the following perspectives are offered.

- Lumber and wood products exceeded seasonal expectations, chiefly due to loggers remaining on the job in spite of the wet and cold weather. This could be the start of another busy winter for the industry. A handful of plant closures in recent months and two new labor disputes, however, provided some moderation to the otherwise good news.
- Other durable goods posted a drop of 1,500 jobs in November with the completion of a ship repair contract and a loss of 400 jobs in the high-tech industries of electronic computing & calculating equipment and instruments & related products. The number of employees for 1988 in the high-tech industry is expected to remain slightly above 1987 but will fall short of the levels of 1980 through 1986.
- Construction took heavy seasonal job losses last month but still managed to post the best November employment since 1980. Nonresidential contractors continued to show strength with 5,800 employees, a trend expected to continue in the near future as concerns over higher interest rates are partially offset by the number of commercial and industrial projects which are already active.
- Transportation showed an unusual gain in the number of jobs in November with 22,400, a new all-time high, coming in trucking and warehousing. At this time of year seasonal activity is shifting from food toward Christmas trees. In addition, the continued activity in logging has also benefitted the trucking industry as the logs are hauled to the mills.
- Trade employment made a less than notable showing in November due chiefly to earlier than usual seasonal hiring which began in October. However, when the two months are combined, the number of jobs in the industry shifts into the "exceeding normal seasonal expectations" category.
- Services provided by far the biggest surprise with a seasonally adjusted gain of 4,200 at a time of year when a loss is expected. This marked the highest number of November services jobs ever recorded; a gain of 42,100 in just the past three years. Business services, in the form of temporary help agencies and security & detective agencies, helped lead the way. An early start to the ski season also had a major impact by spurring an increase in the number of jobs for the amusements & recreation industry.
- Government, along with services, supplied most of the new jobs in November, with the combination of full school year employment in community colleges and local schools. The 12,900 employees in community colleges and 68,400 in


TOTAL CIVILIAN EMPLOYMENT CHANGES
October - November


NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
October - November

RESIDENT OREGON LABOR FORCE

	NOV.[1] 1988	OCT.[2] 1988	CHANGE	%CHANGE	NOV.[5] 1987
CIVILIAN LABOR FORCE[3]	1,423,100	1,413,800	9,300	0.7	1,405,500
UNEMPLOYMENT	77,800	70,000	7,800	11.1	75,700
PERCENT OF LABOR FORCE	5.5	5.0	XXX	XXX	5.4
SEASONALLY ADJUSTED PERCENT	5.6	5.6	XXX	XXX	5.5
TOTAL EMPLOYMENT[4]	1,345,300	1,343,800	1,500	0.1	1,329,800

[1] *Preliminary.*

[2] *Revised.*

[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*

[4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*

[5] *Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	NOV.[1] 1988	OCT.[2] 1988	NOV. 1987	OCT. 1988	NOV. 1987
TOTAL[3]	1,176,800	1,175,200	1,121,400	1,600	55,400
WAGE & SALARY EMPLOYMENT INDEX[4]	124.3	123.4	118.4	XXX	XXX
TOTAL MANUFACTURING	213,000	218,200	208,900	-5,200	4,100
DURABLE GOODS	155,300	157,100	152,000	-1,800	3,300
LUMBER & WOOD PRODUCTS	68,900	69,200	68,800	-300	100
LOGGING & SAWMILLS	35,000	35,300	35,300	-300	-300
VENEER & PLYWOOD	17,300	17,200	17,800	100	-500
MILLWORK & STRUCTURAL WOOD	10,900	10,900	10,300	0	600
MOBILE HOMES	1,800	1,800	1,500	0	300
OTHER WOOD PRODUCTS	3,900	4,000	3,900	-100	0
FURNITURE AND FIXTURES	2,500	2,600	2,600	-100	-100
STONE, CLAY, GLASS & CONCRETE	3,800	4,000	3,500	-200	300
PRIMARY METALS	10,500	10,400	9,700	100	800
BLAST FURNACES, IRON & STEEL	6,200	6,200	5,800	0	400
NONFERROUS METALS	4,300	4,200	3,900	100	400
FABRICATED METALS	11,300	11,400	10,400	-100	900
FABRICATED STRUCTURAL METALS	5,100	5,100	4,500	0	600
OTHER FABRICATED METALS	6,200	6,300	5,900	-100	300
MACHINERY	16,500	16,500	15,900	0	600
ELECTRICAL EQUIPMENT & SUPPLIES	15,500	15,400	13,800	100	1,700
TRANSPORTATION EQUIPMENT	11,800	12,700	11,700	-900	100
INSTRUMENTS & RELATED PRODUCTS	11,300	11,600	12,200	-300	-900
MISCELLANEOUS MANUFACTURING	3,200	3,300	3,400	-100	-200
NONDURABLE GOODS	57,700	61,100	56,900	-3,400	800
FOOD & KINDRED PRODUCTS	23,300	26,800	23,300	-3,500	0
CANNING & PRESERVING	11,900	15,400	12,100	-3,500	-200
OTHER FOOD PRODUCTS	11,400	11,400	11,200	0	200
TEXTILE MILL PRODUCTS	1,800	1,800	1,800	0	0
APPAREL	3,200	3,100	2,600	100	600
PAPER & ALLIED PRODUCTS	8,700	8,600	9,100	100	-400
PRINTING & PUBLISHING	13,500	13,500	13,200	0	300
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,000	0	100
PETROLEUM REFINING	400	500	500	-100	-100
RUBBER & PLASTIC PRODUCTS	4,300	4,300	4,000	0	300
LEATHER PRODUCTS	400	400	400	0	0
TOTAL NONMANUFACTURING	963,800	957,000	912,500	6,800	51,300
MINING & QUARRYING	1,500	1,500	1,500	0	0
CONSTRUCTION	38,300	41,100	35,900	-2,800	2,400
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	61,200	60,900	59,000	300	2,200
TRANSPORTATION	39,600	39,400	37,800	200	1,800
RAILROAD	3,900	4,000	3,900	-100	0
TRUCKING & WAREHOUSING	22,400	22,100	21,800	300	600
OTHER TRANSPORTATION	13,300	13,300	12,100	0	1,200
COMMUNICATIONS	12,900	12,800	12,500	100	400
UTILITIES	8,700	8,700	8,700	0	0
TRADE	306,200	304,600	286,700	1,600	19,500
WHOLESALE TRADE	76,700	77,800	70,800	-1,100	5,900
DURABLE GOODS	45,100	44,700	41,300	400	3,800
NONDURABLE GOODS	31,600	33,100	29,500	-1,500	2,100
RETAIL TRADE	229,500	226,800	215,900	2,700	13,600
GENERAL MERCHANDISE	31,600	30,200	30,600	1,400	1,000
FOOD STORES	39,300	39,500	35,200	-200	4,100
AUTO DEALERS & SERVICE STATIONS	27,200	27,500	25,700	-300	1,500
OTHER RETAIL TRADE	131,400	129,600	124,400	1,800	7,000
FINANCE, INSURANCE, & REAL ESTATE	74,300	74,400	71,500	-100	2,800
BANKING & CREDIT AGENCIES	23,900	23,900	23,600	0	300
OTHER FINANCE, INSURANCE, & REAL ESTATE	50,400	50,500	47,900	-100	2,500
SERVICES	263,100	260,000	245,700	3,100	17,400
HOTELS & PERSONAL SERVICES	26,400	26,500	25,400	-100	1,000
HEALTH SERVICES	79,700	79,500	75,700	200	4,000
OTHER SERVICES	157,000	154,000	144,600	3,000	12,400
GOVERNMENT	219,200	214,500	212,200	4,700	7,000
FEDERAL GOVERNMENT	31,100	31,500	30,700	-400	400
STATE GOVERNMENT	60,500	60,100	59,000	400	1,500
EDUCATION	25,900	25,200	25,600	700	300
OTHER STATE	34,600	34,900	33,400	-300	1,200
LOCAL GOVERNMENT	127,600	122,900	122,500	4,700	5,100
EDUCATION	81,300	77,800	78,800	3,500	2,500
OTHER LOCAL	46,300	45,100	43,700	1,200	2,600
LABOR – MANAGEMENT DISPUTES	1,200	800	100	400	1,100

[1] *Preliminary.*

[2] *Revised.*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

local schools was the highest employment level ever reached by these groups. Local government, not education oriented, rose by 1,200 in November to reach 46,300; much of this was due to the increase in the number of election workers.

Many records have been broken this month, as well as throughout 1988, in regard to Oregon's economic health.

If current trends in Oregon's employment levels continue for one more month, it is estimated that the 1988 nonagricultural wage and salary jobs growth rate could be as high as 4.1 percent; the highest since 1984 when Oregon experienced a 4.2% growth rate. In spite of several economists and lay persons, myself included, having predicted a downturn in Oregon's economic health during 1988, it doesn't appear at this point as if that prediction will materialize. Instead, this will be the third straight year that Oregon's economy has improved over the previous year.

In retrospect, my early comments in this article about a record being broken should be adjusted to the plural. Many records have been broken this month, as well as throughout 1988, in regard to Oregon's economic health. December should continue to set records in a positive manner. "Steady as she goes" certainly seems an appropriate description for this month's activity and good advice for December. □

1988 YEAR IN REVIEW

Jeff Hannum

"How will Oregon's economy fare in 1988? Not as good as in 1987, which will probably go down as the best year of the 1980s, but better than you might think, especially in light of last fall's stock market crash . . . or was it a correction?"

As I wrote these prophetic words in my "1988 Economic Outlook" article (**Oregon Labor Trends** January 1988), my all-knowing crystal ball was telling me that the economy could go in any direction depending upon the reaction of consumers, the Federal Reserve Board, and other key players in the world economy. When I begged my oracle to be just a little bit more specific (or at least tell me who would win the Presidential election), there was a long pause, the lights began to flicker and fade, and then I heard a voice saying . . . "read my lips." Then the oracle vanished! Gone! I was on my own.

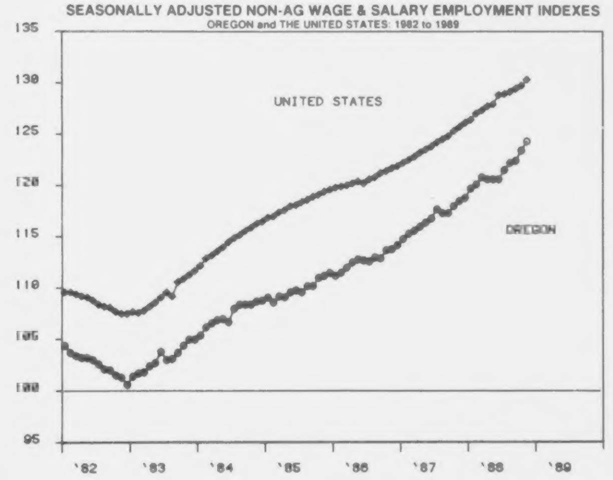
Since I had a deadline staring me in the face for completing my **Labor Trends** article (not unlike the present), I decided that the stock market crash would not lead to a recession in 1988. Instead, it would buy more time for an aging economic expansion since the Federal Reserve and foreign Central Banks had abruptly reversed their tight money policies following "Black Monday," October 19. Instead of fighting the inflation bogeyman, government economic policymakers both here and abroad had decided they would rather switch than fight, so to speak. As a result, money growth rates accelerated, interest rates declined, and federal budget cuts, talk of tax increases, and concern over inflation receded into the background. The number one focus of policymakers had switched to preventing a recession (or even a depression?) since this could be disastrous in view of the magnitude of financial imbalances in the economy today (i.e. huge federal budget and foreign trade deficits, record levels of consumer, corporate and federal government debt, shaky third world loans, etc).

I concluded that the long economic expansion in Oregon and the Nation would be sustained through at least 1988, although total employment in the State would probably grow more slowly and "the unemployment rate may well rise a little from 1987's [6.2%] average."

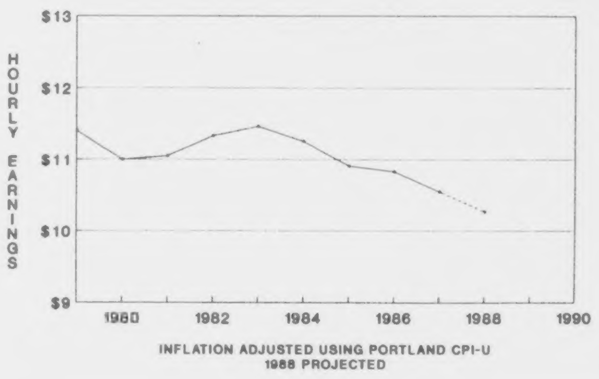
We can all look back on a year which has exceeded even our wildest dreams!

Now it is December and we can all look back on a year which has exceeded even our wildest dreams! In fact, the U.S. economy has bounced back so well, the Federal Reserve reverted last spring to its former policy of trying to slow the rate of economic growth in order to keep inflation under control. As a result, short and long term interest rates have been rising since last spring, and they are still climbing.

While this trend will pose some problems for Oregon in 1989, it hasn't done much yet to slow the torrid pace of the state's economy. In some respects, 1988 will be the best year of the 1980s! In fact, so many economic and labor market records were broken, I can't keep track of all of them. They would


SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
OREGON and THE UNITED STATES: 1982 to 1989

REAL EARNINGS OF OREGON FACTORY WORKERS CONTINUE TO FALL
(1987 DOLLARS)



INFLATION ADJUSTED USING PORTLAND CPI-U
1988 PROJECTED

include "highest evers" for total population, labor force, total employment (as well as many specific industries, mostly in service-producing sectors), labor force participation rate, proportion of the population employed, hourly earnings in manufacturing, and probably other income measures such as annual average earnings of all workers covered by unemployment insurance, per capita personal income, etc.

The typical factory worker's real hourly pay in terms of purchasing power has fallen every year since 1983.

These income "records," however, are very misleading because they are not adjusted for inflation. For example, average hourly pay of Oregon's manufacturing production workers is expected to rise from $10.55 per hour in 1987 to $10.69 in 1988, a new all-time high. But if this hourly earnings time series is adjusted for inflation using the Portland CPI-U we find that the typical factory worker's real hourly pay in terms of purchasing power has fallen every year since 1983, for a cumulative loss of $1.20 per hour. Total purchasing power in the State, however, has continued to grow due to rising population, record employment levels, and more total hours worked.

Nonfarm wage and salary employment is expected to average a new all-time high of 1,138,400 in 1988, an increase of over 44,000 jobs, or 4.1%. This employment growth rate will probably rank Oregon among the top ten states in 1988. Nonfarm payroll employment in the U.S. is expected to rise by 3.5% this year.

Employment growth in Oregon was once again fairly broad-based with both goods-producing and service-producing industries showing solid gains. Most of the state's manufacturing industries continued to expand reflecting the ongoing export boom and high levels of capital spending for business equipment by domestic firms. Even the state's lumber and wood products industry managed a small increase in annual average employment between 1987 and 1988 despite a rash of labor-management disputes during the summer months, forest fire-related curtailments in late summer, an 11% drop in national housing starts, growing log supply shortages, and rising stumpage prices for virtually all species.

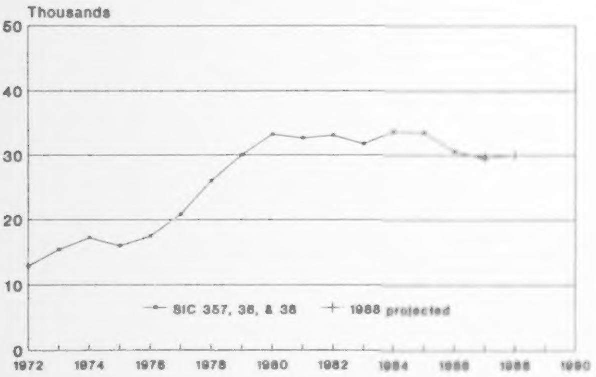
Although overall production of wood products will decline this year after several years of record production, this trend was cushioned by a surge in exports, especially for logs and lumber. The volume of softwood lumber exported during the first nine months of 1988 through the Columbia-Snake Customs District (549 million board feet) was over 43% higher than the same period a year ago. In terms of value, these exports represented $244 million, an increase of 38% over the same period in 1987.

While few people would question the economic value of exporting finished lumber (or other more highly processed wood products) from Oregon, the practice of exporting raw logs from private and state-owned timberlands is a much more controversial issue. At a time when log supply shortages are becoming more common and some mills are closing permanently because of reduced timber supplies and rising stumpage prices, log exports have been soaring! During the first nine months of 1988, the volume of logs exported through the Columbia-Snake Customs District (1.1 billion board feet) increased by over 28%. Because of the cheap dollar, the high quality of export logs, and rising stumpage prices (the value of export logs will average nearly $500 per thousand board feet this year), the total value of these log exports (January through September) came to $543 million, an increase of over 52% from the same period a year ago.

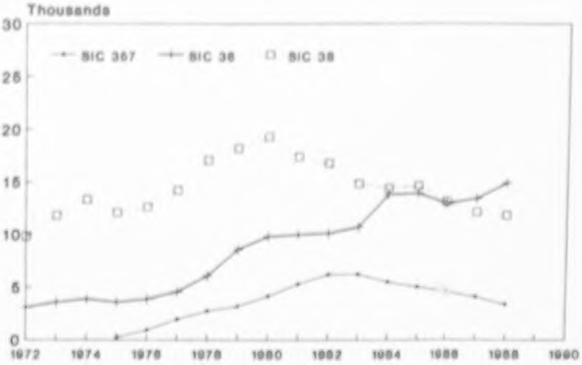
Another important manufacturing sector which will probably show a small gain in average employment in 1988 despite some problems and layoffs earlier this year is electronics. This sector is actually composed of three separate industry categories showing divergent employment trends. Electronic computing and calculating equipment (SIC 357) will lose about 700 jobs, bringing employment to its lowest level (3,400) since 1979. Instruments and related products (SIC 38) will also drop employment by several hundred to 11,800, its lowest level in 15 years. The one bright spot this year has been electrical equipment and supplies (SIC 36) which has grown by over 11 percent, or 1,500 jobs, over the past year. Much of this growth is the result of new plants or expansions by Japanese-owned high-tech companies. Taken together, these electronics industries will employ about 500 more workers in 1988. At 30,100, however, the high-tech workforce will still be the second lowest since 1979.

The revitalization of manufacturing was also apparent in many other industries in 1988, including primary and fabricated metals, transportation equipment, apparel, printing and publishing, and plastics. Another industry, paper and allied products, was operating at virtually full capacity, but because of labor disputes, employment levels will average slightly less in 1988. The manufacturing sector as a whole is expected to employ an average of 211,000 workers in 1988, an increase of 6,100, or 3.0% over the year. This will represent

ELECTRONICS INDUSTRY EMPLOYMENT
IN OREGON



ELECTRONICS INDUSTRY EMPLOYMENT
IN OREGON



1988 PROJECTED

the best year for manufacturing jobs since 1980.

Oregon's construction industry turned in an even better performance in 1988, adding 2,700 workers, a 7.8% gain. This was the hardest hit of any industry during the last recession, and in 1988 will average over 37,000, the highest level since 1981. The rising volume of construction activity in Oregon during 1988 is especially remarkable when you consider that interest rates have been moving higher since last spring. Furthermore, the gains have come almost across the board. Although housing starts have declined about 11% nationally, they are up in Oregon for both single and multi-family units. Commercial, industrial and public facilities construction activity is also up strongly this year and will carry through 1989.

Service-producing industries added new jobs at an even faster rate in 1988 (4.2%) than in 1987 (3.5%). This sector, which includes all of the nonmanufacturing industries except mining and construction, accounted for 80% of the 44,400 new wage and salary jobs in 1988. Factors behind this rapid growth include another record year for tourism and related hospitality industries, strong population (+49,000) and economic growth over the year, the opening of several retail chain stores new to Oregon, and the irrepressible expansion of medical and business service.

As if this wasn't enough, even Oregon's economic Achilles' heel, agriculture, posted a dramatic rebound in 1988. Preliminary estimates from the OSU Extension Service indicate that gross farm sales soared by about 14.5% to $2.3 billion, a new record high! Since farm expenses will not exhibit a similar increase, one agricultural economist estimated that 1988 could be one of the highest net income years for Oregon agriculture in a long time. The farm value of all crop sales jumped 17%, with the strongest gains recorded for grains (up 35%) and grass and legume seed (up 32%). The only major crop category to show a loss was small fruits and berries (-5%), primarily reflecting lower prices due to high carry over supplies and another record production year for strawberries.

The farm labor situation took a different twist in 1988. Last year, the strawberry crop ripened early before schools closed for summer vacations and before many migrant workers had arrived in Oregon. Uncertainty over the new Immigration Reform and Control Act also kept many migrants from coming to the State. Many growers were concerned that a labor shortage would occur again this year. Instead, just the opposite happened. Cool, wet weather in the spring delayed the strawberry and cherry harvests. But many migrant workers had arrived much earlier than usual due to misinformation about the provisions of the new Immigration Reform Act.

The value of all livestock and poultry products also jumped in 1988 (up 9%), led by a 15% increase in the value of cattle and calves. A major reason for the dramatic upturn in overall farm sales this year was the severity of the Midwest drought which pushed prices much higher for grains, vegetable and other farm commodities. Although the Pacific N.W. has experienced below normal moisture over the past several years, we did benefit from a cool and very wet spring.

To sum up, Oregon's economy had a banner year in 1988, with most economic sectors posting strong employment gains. In fact, the demand for workers even began to outstrip the available supply across a wide range of industries and occupations. The strong economy coupled with a demographic trend toward fewer young adults in the population lowered the number of unemployed persons to about 84,600, the lowest level since 1979. Oregon's jobless rate in 1988 is expected to average about 5.9%, down slightly from 1987's 6.2%. At that level, it would be the lowest rate for Oregon since the current procedure for estimating unemployment began in 1970.

As further evidence of the booming labor market this year, the Oregon Employment Division received nearly 110,000 nonfarm job openings during the first eleven months of 1988, an increase of over 18% from the same period last year. In addition, nonfarm job placements numbered about 74,000, an 11.2% annual increase. One of the most telling indicators of the current state of the labor market is the volume of nonfarm job openings which have been unfilled for 30 days or longer. At the end of November, the Employment Division had nearly 14,600 such "hard-to-fill" job openings, an increase of 60% over last November. Will 1989 bring more of the same? We'll explore that question in next month's **Labor Trends**. ☐

SELECTED ECONOMIC INDICATORS FOR OREGON, 1979-88

Year	Total Population (000)	Civilian Labor Force (000)	Unemployment Number (000)	Unemployment Rate (%)	Nonfarm Wage & Salary Employment (000)	Mfg. (000)	Nonmfg. (000)	Real Ave. Hrly Earnings in Mfg. (1987 dollars) ($)	Portland CPI-U (Ann. Ave. Chg.) (%)
1979	2,584.4	1,217.0	83.0	6.8	1,056.2	228.5	827.7	11.41	13.6
1980	2,639.9	1,295.0	107.0	8.3	1,044.6	215.1	829.5	11.00	13.2
1981	2,660.7	1,337.0	132.0	9.9	1,018.4	202.7	815.7	11.05	8.9
1982	2,656.2	1,324.0	153.0	11.5	960.8	185.7	775.1	11.34	3.2
1983	2,635.0	1,341.0	145.0	10.8	966.7	188.8	779.1	11.47	1.1
1984	2,660.0	1,335.0	125.0	9.4	1,006.9	201.1	805.8	11.26	3.7
1985	2,675.8	1,316.0	116.0	8.8	1,030.0	199.3	830.7	10.91	3.8
1986	2,661.5	1,360.0	115.0	8.5	1,058.5	198.4	860.1	10.83	1.4
1987	2,690.0	1,388.0	86.0	6.2	1,094.0*	204.9*	889.1*	10.55*	2.5
1988	2,739.0	1,424.2**	84.6**	5.9**	1,138.4**	211.0**	927.4**	10.27**	4.1**
(1987-88 change)	49.0	36.2	-1.4	-0.3	44.4	6.1	38.3	-0.28	1.6

* Preliminary data

** Projected annual averages

INDEX OF ARTICLES - 1988 OREGON LABOR TRENDS

Duane Ackerson

The 1988 Economic Outlook

Oregon's economy may not be as strong in 1988 as in 1987, but will still show strength, with greater capital spending and demand offsetting declines in consumer spending and housing demand; Jan., page 4.

The Oregon Population Estimates (1987) Ride Again!

After a population decline in the July 1985 - July 1986 period, Oregon's population rose by 28,500 in 1986-'87, a 1.1% increase; Jan., page 7.

Revised Employment Data Confirm Strong 1987

The 1987 Benchmark of 1986 and 1987 employment data resulted in the smallest revisions in recent memory, with changes of +0.2% for 1986 and -0.1% for 1987; Feb., page 9.

Long-Range (Employment) Weather Forecast

Discusses caveats involving economic forecasting and methodologies for forecasting Oregon unemployment and labor force participation rates, as well as labor force and employment predictions through Year 2000; Feb., page 10.

New Enterprise Zones

With the Governor's Dec. 31, 1987 designation of five new enterprise zones, Oregon has 25 zones in which qualified businesses can receive property tax exemptions; Feb., page 12.

Regional Strategies: A Program of Choice

Discusses steps involved in creating a regional economic development strategy and standards for these strategies; March, page 10.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct.[2] 1988	Sept.[3] 1988	Oct. 1987	Oct.[2] 1988	Sept.[3] 1988	Oct. 1987	Oct.[2] 1988	Sept.[3] 1988	Oct. 1987
TOTAL MANUFACTURING[4]	$431.47	$417.38	$405.46	40.4	39.6	38.8	$10.68	$10.54	$10.45
Durable Goods	444.04	423.26	411.17	40.7	39.3	38.9	10.91	10.77	10.57
Lumber & Wood Products	450.72	413.88	398.87	40.9	38.5	37.7	11.02	10.75	10.58
Logging & Sawmills	494.02	426.16	404.77	41.1	36.3	35.6	12.02	11.74	11.37
Veneer & Plywood	437.54	440.77	410.57	41.2	41.7	39.9	10.62	10.57	10.29
Millwork & Structural	351.60	350.15	365.72	40.0	39.7	40.5	8.79	8.82	9.03
Mobile Homes	337.65	327.55	335.62	38.9	38.4	36.8	8.68	8.53	9.12
Other Wood Products	426.62	418.00	409.07	41.1	40.0	39.6	10.38	10.45	10.33
Furniture & Fixtures	358.36	313.82	339.45	38.7	35.5	36.5	9.26	8.84	9.30
Primary Metals	508.41	522.06	497.12	41.2	42.0	41.6	12.34	12.43	11.95
Fabricated Metals	391.31	392.35	363.77	40.3	40.2	39.8	9.71	9.76	9.14
Machinery (Ex Electrical)	449.44	434.56	455.33	40.6	38.8	40.8	11.07	11.20	11.16
Nondurable Goods	397.79	400.79	389.38	39.7	40.2	38.4	10.02	9.97	10.14
Food & Kindred Products	317.54	320.38	313.12	39.3	39.7	38.0	8.08	8.07	8.24
Canning & Preserving	281.47	279.70	271.93	39.7	39.9	38.3	7.09	7.01	7.10
Other Food Products	388.16	411.33	388.29	38.7	39.1	37.3	10.03	10.52	10.41
Textile Mill Products	235.17	221.78	240.07	35.1	33.4	36.1	6.70	6.64	6.65
Apparel	244.29	241.40	225.09	38.9	38.5	36.6	6.28	6.27	6.15
Paper & Allied Products	679.04	674.31	637.30	43.5	45.5	40.8	15.61	14.82	15.62
Printing & Publishing	453.28	479.70	434.50	37.9	39.0	37.2	11.96	12.30	11.68
Construction[4]	538.88	550.93	514.30	37.5	38.1	37.0	14.37	14.46	13.90
Communications & Utilities[5]	533.75	535.66	518.00	40.9	41.3	40.0	13.05	12.97	12.95
Trade[5]	311.61	312.55	291.54	34.7	35.0	33.9	8.98	8.93	8.60
Wholesale Trade	412.72	413.22	391.95	38.5	38.8	37.4	10.72	10.65	10.48
Retail Trade	258.66	259.38	240.11	32.7	33.0	32.1	7.91	7.86	7.48
Banking & Insurance[5]	356.43	344.70	318.17	38.7	38.6	37.3	9.21	8.93	8.53
State & Local Government	379.36	397.14	366.41						

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[1] Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

[2] Preliminary

[3] Revised

[4] Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

[5] Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

Regional Strategies: A Program of Choice

Second part of article begun in March trends. The Regional Strategies Program's challenges, a regional strategies progress report, and an indication of future directions; April, page 4.

LMI: Key Component in Regional Strategies Planning

Discusses use of Labor Market Information (LMI) in helping to assess the economic potential of local regions involved in Regional Strategies economic development planning; April, page 7.

Miracle A Mixed Blessing

The recent economic recovery in New England has its negative side, including traffic congestion and soaring real estate prices and taxes, aspects that need to be kept in mind in promoting Oregon economic development; May, page 4.

Per Capita Personal Income

Oregon per capita income, at 91% of national per capita, continued to lag the U.S., however, ranked among the states, it moved in 1987 from 31st to 30th place.; May, page 6.

Tourism, Youths and Summertime

Suggests that by making tourism less seasonal and providing job training to those who can best benefit, we can increase the benefits and minimize the costs of tourism; June, page 5.

Unemployment Rates by State - 1987

Though Oregon's unemployment rate for 1987 equaled the national rate, it showed dramatic improvement over the course of the year, falling from 8.5% to 6.2%; June, page 7.

New Per Capita Income County Estimates for Oregon

Discusses revised 1984 and new 1985 and 1986 per capita personal income estimates for Oregon counties; July, page 7.

Getting Ready for the New Jobs

Stresses the even greater importance of education in the future as the means to the individual's labor market success and the nation's ability to compete in a world economy; Aug., page 6.

A Compass Reading

The Administrator of the Employment Division discusses problems involved in setting an agency's course and reviews the agency's goals; Sept., page 5.

Employer Costs for Employee Compensation

Discusses recent Bureau of Labor Statistics report on the employer cost of wages and benefits paid to workers in the U.S.; Sept., page 6.

Women Workers in Oregon Industry

Discusses Current Employment Statistics (CES) program data on representation and average weekly wages of women in Oregon's top industries; Sept., page 7.

The Implications of Demographic Trends for Oregon and the Labor Force

The labor force of the future will reflect three main factors: aging of the baby boomers, shortage of entry level workers, and the influx of women into the labor force; Oct., page 4.

Youth - Oregon's Answer to the Future

Discusses Employment Division's role in preparing a youth report and brochure as part of the Governor's Children's Agenda; Oct., page 6.

Labor Surplus Areas

Defines labor surplus area, discusses qualifications for eligibility, lists current eligible Oregon areas; Oct., page 7.

Average Annual Pay by State and Industry, 1987

Discusses U.I. covered payroll data on average annual pay in 1987 by state, by metropolitan areas in Oregon, and by major industry groups; Nov., page 6.

1988 Year in Review

The current economic expansion has reached its sixth birthday, and Oregon's economy had its best year of the 1980s decade; Dec., page 4.

The Employer's Corner

The Challenges of the 90's; March, page 12.

Hiring summer youth under the TJTC program; April, page 8.

FUTA (Federal Unemployment Tax Act) and the Federal Unified budget; May, page 8.

Quality Control and the Quality Improvement Project; June, page 8.

The Oregon Youth Conservation Corps program; July, page 8.

The Community Youth Employment (CYE) program; Aug., page 8.

Trade Adjustment Assistance; Oct., page 8.

Attracting Good Workers During Labor Shortages; Nov., page 8. ☐

OREGON LABOR TRENDS

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DEPARTMENT OF HUMAN RESOURCES
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SALEM, OREGON 97311

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OREGON LABOR TRENDS

JANUARY 1989

—W.E. Hunter, Administrator • State of Oregon • EMPLOYMENT DIVISION • Department of Human Resources—

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)		
Dec.	1988	5.1
Nov.	1988	5.6
Dec.	1987	5.6
United States (Seas. Adj.)		
Dec.	1988	5.3
Nov.	1988	5.4
Dec.	1987	5.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)		
Dec.	1988	122.2
Nov.	1988	122.4
Oct.	1988	123.4
Sept.	1988	124.3
Aug.	1988	124.5

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Nov.	1988	$10.70
Oct.	1988	$10.66
Nov.	1987	$10.63

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Nov.	1988	39.2
Oct.	1988	40.3
Nov.	1987	39.7

CONSUMER PRICE INDEX (CPI)
1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan.-June 1988	113.6
Yearly change	3.4%
Annual Average 1987	110.9
Yearly change	2.5%
United States	
Dec. 1988	120.5
Yearly change	4.4%
Annual Average 1987	113.6
Yearly change	3.6%

Portland Hotline 221-4132

UNEMPLOYMENT RATE LOWEST IN 16 YEARS

Linda Burgin

In December, Oregon's seasonally adjusted unemployment rate fell to 5.1 percent, the lowest reported rate since the Employment Division started seasonally adjusting the rate in 1972. It was also .2 percentage points below the U.S. unemployment rate reported for December, the first month since December 1987 that Oregon's rate fell below the national rate.

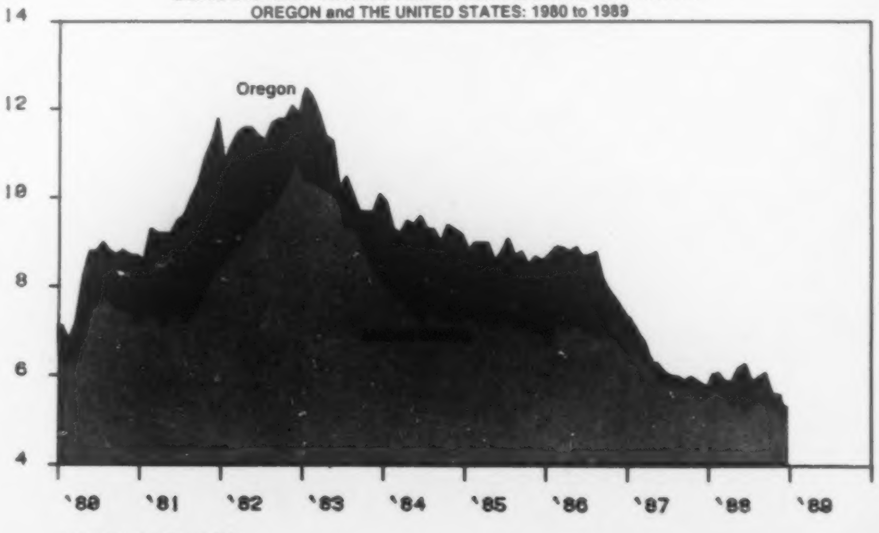
The two key variables in the unemployment rate calculation decreased in December:

1. Total unemployment was down from November 1988 by about 1,000. Not since 1968 has a decline in unemployment occurred at this time of the year in Oregon. Therefore seasonal adjustment factors (which are based on historical records in which an increase in unemployment is normal at this time of year) translated the 1,000 drop into a large unemployment rate decline.

2. The size of the total civilian labor force decreased by 3,200 from November to December.

New Employment Division records have been set many times in the last year. Oregon's nonfarm wage and salary employment index is a good example. This index, based on a monthly survey of employers, is total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. The index was 124.5 in December, breaking the November record with a new 'highest level ever recorded'. We can interpret the index to mean that Oregon now has 24.5 percent more jobs than in 1977. December's index was 5.7 points higher than the index reported for December 1987.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

The Employment Division received 6,966 job openings in December, 709 more than for the same period last year. Job placements totalled 6,242 in December, 687 more than a year ago. Comparing December 1988 with December 1987, the number of weeks of unemployment compensation that were claimed decreased by 23 percent, or 38,069 weeks...and the unemployment insurance funds continue to grow as economic security for the unemployed workers of the future. (Where have all the unemployed workers gone? To work!...and it's great!)

As the supply of available workers diminishes in this tight labor market, it seems probable that wages will have to increase in order to attract workers, particularly in entry level, minimum wage jobs.

Low unemployment rates and steadily increasing employment levels in many economic sectors are an indication that the Oregon economy continues to improve. As the supply of available workers diminishes in this tight labor market, it seems probable that wages will have to increase in order to attract workers, particularly in entry level, minimum wage jobs.

Turning to the current employment statistics, December was a very good month for construction. All components of the construction industry outperformed expectations last month, when 300 construction jobs were created. Normally, the state loses around 2,200 construction jobs in December. Overall, the construction industry ended its best year since 1981. A total of 38,800 people held construction jobs in December. That's an increase of 5,000 jobs from December 1987. Annual average employment in this industry stands at 37,500, a strong 3,000 gain over the 1987 level.

The frantic pace of the holiday season translated into new hires for many retailers as general merchandise, apparel & accessory, and furniture & home furnishings stores combined to add more than 7,000 jobs in the past three months, a 30 percent increase over seasonal hiring in the past five years. Trade as a whole (wholesale and retail) added 3,100 jobs in December alone, more than twice the expected increase.

Services employment took a rare downturn in December, following a substantial increase in November when temporary help agencies hired workers for the elections. The post-election layoff was entirely responsible for the decline, as other parts of the industry performed well. The overall strength of trade and services can be gauged by the fact that, between them, the two industries have accounted for two out of every three new jobs in Oregon during the past five years.

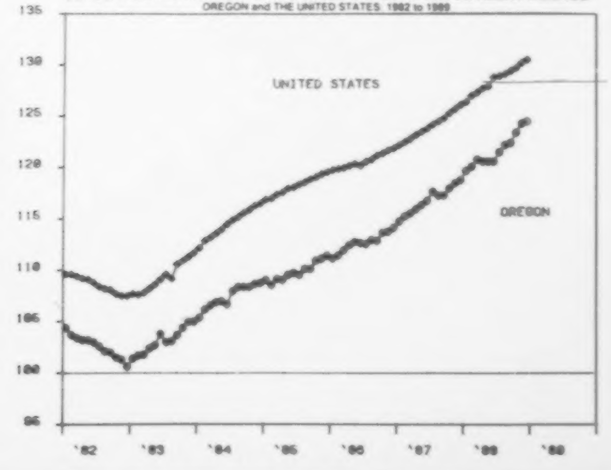
Some job sectors lost employment in December, but most of these were expected. Much of the employment decrease in lumber & wood products was in logging, which dropped to about the same December level as it has for the past five years. In veneer & plywood, layoffs in recent months have brought the total employment level to 17,100, several hundred lower than it has been in December for the past two years. Mobile (manufactured) homes continues to strengthen and has gained 400 in 1988 (a 24 percent increase). Labor management disputes in several parts of the state involved 700 lumber & wood products workers in December, but the number on strike in this industry will jump in January.

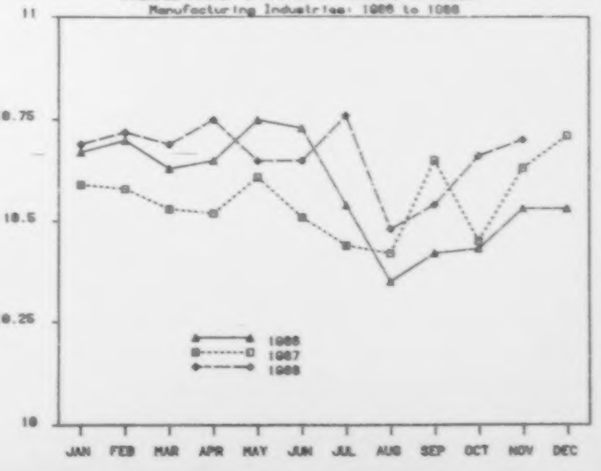
In other durables, the rocket launch tower modules being built near Astoria helped boost employment by 300 in fabricated structural metals. Another 300 jobs were added to blast furnaces, iron & steel foundries, which surged to 6,400, only 200 lower than the highest December (1979). Electronic equipment & supplies has been a leading industry this year, with 1,800 workers added to the payrolls in 1988, 100 of which were added in December.

An ominous cloud on the rosy Oregon horizon: the Construction Statistics Division of the Department of Commerce, Census Bureau recently reported that December housing starts in the nation were down 2% from November. The total U.S. housing starts for 1988 (1.49 million units) were the lowest reported since the end of the last recession in 1982.

It would be great if the expected recession takes as long to reach Oregon as the current recovery did.

We hope that there will be a lag between the signs of any recession at the national level and when Oregon begins to feel the effects. It would be great if the next recession takes as long to reach Oregon as the current recovery did. Meanwhile, we are living through a wonderful time of growth in Oregon. We are probably in a period of time that we will later refer to fondly as 'the good ol' days.' It is a period when we don't have to search for good news--it jumps right out and dazzles us. ☐





RESIDENT OREGON LABOR FORCE

	DEC.[1] 1988	NOV.[2] 1988	CHANGE	%CHANGE	DEC.[5] 1987
CIVILIAN LABOR FORCE[3]	1,423,700	1,426,900	-3,200	-0.2	1,403,700
UNEMPLOYMENT	77,200	78,200	-1,000	-1.3	83,000
PERCENT OF LABOR FORCE	5.4	5.5	XXX	XXX	5.9
SEASONALLY ADJUSTED PERCENT	5.1	5.6	XXX	XXX	5.6
TOTAL EMPLOYMENT[4]	1,346,500	1,348,700	-2,200	-0.2	1,320,700

[1] Preliminary

[2] Revised

[3] Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.

[4] Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.

[5] Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	DEC.[1] 1988	NOV.[2] 1988	DEC. 1987	CHANGE FROM NOV. 1988	CHANGE FROM DEC. 1987
TOTAL[3]	1,171,500	1,177,100	1,116,500	-5,600	55,000
WAGE & SALARY EMPLOYMENT INDEX[4]	124.5	124.3	118.8	XXX	XXX
TOTAL MANUFACTURING	210,500	213,300	205,200	-2,800	5,300
DURABLE GOODS	154,700	155,600	151,200	-900	3,500
LUMBER & WOOD PRODUCTS	67,900	68,800	67,800	-900	100
LOGGING & SAWMILLS	34,000	35,000	34,600	-1,000	-600
VENEER & PLYWOOD	17,100	17,100	17,700	0	-600
MILLWORK & STRUCTURAL WOOD	11,100	11,000	10,300	100	800
MOBILE HOMES	1,800	1,800	1,400	0	400
OTHER WOOD PRODUCTS	3,900	3,900	3,800	0	100
FURNITURE AND FIXTURES	2,500	2,500	2,500	0	0
STONE, CLAY, GLASS & CONCRETE	3,800	3,800	3,300	0	500
PRIMARY METALS	10,600	10,400	9,700	200	900
BLAST FURNACES, IRON & STEEL	6,400	6,100	5,800	300	600
NONFERROUS METALS	4,200	4,300	3,900	-100	300
FABRICATED METALS	11,800	11,500	10,400	300	1,400
FABRICATED STRUCTURAL METALS	5,500	5,200	4,400	300	1,100
OTHER FABRICATED METALS	6,300	6,300	6,000	0	300
MACHINERY	16,400	16,400	15,800	0	600
ELECTRICAL EQUIPMENT & SUPPLIES	15,700	15,600	13,900	100	1,800
TRANSPORTATION EQUIPMENT	11,500	11,900	12,300	-400	-800
INSTRUMENTS & RELATED PRODUCTS	11,400	11,300	12,300	100	-900
MISCELLANEOUS MANUFACTURING	3,100	3,400	3,200	-300	-100
NONDURABLE GOODS	55,800	57,700	54,000	-1,900	1,800
FOOD & KINDRED PRODUCTS	21,000	23,300	20,500	-2,300	500
CANNING & PRESERVING	9,700	11,800	9,300	-2,100	400
OTHER FOOD PRODUCTS	11,300	11,500	11,200	-200	100
TEXTILE MILL PRODUCTS	1,800	1,800	1,800	0	0
APPAREL	3,200	3,200	2,600	0	600
PAPER & ALLIED PRODUCTS	8,700	8,600	9,000	100	-300
PRINTING & PUBLISHING	13,800	13,600	13,300	200	500
CHEMICALS & ALLIED PRODUCTS	2,200	2,100	2,000	100	200
PETROLEUM REFINING	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	4,300	4,300	4,000	0	300
LEATHER PRODUCTS	400	400	400	0	0
TOTAL NONMANUFACTURING	961,000	963,800	911,300	-2,800	49,700
MINING & QUARRYING	1,400	1,500	1,300	-100	100
CONSTRUCTION	38,800	38,500	33,800	300	5,000
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	60,400	61,000	60,100	-600	300
TRANSPORTATION	39,000	39,500	38,900	-500	100
RAILROAD	3,800	3,900	3,800	-100	0
TRUCKING & WAREHOUSING	21,800	22,300	22,700	-500	-900
OTHER TRANSPORTATION	13,400	13,300	12,400	100	1,000
COMMUNICATIONS	12,700	12,800	12,500	-100	200
UTILITIES	8,700	8,700	8,700	0	0
TRADE	310,700	307,600	288,700	3,100	22,000
WHOLESALE TRADE	77,400	77,500	71,300	-100	6,100
DURABLE GOODS	45,600	45,000	41,700	600	3,900
NONDURABLE GOODS	31,800	32,500	29,600	-700	2,200
RETAIL TRADE	233,300	230,100	217,400	3,200	15,900
GENERAL MERCHANDISE	33,700	31,800	31,800	1,900	1,900
FOOD STORES	39,500	39,600	34,200	-100	5,300
AUTO DEALERS & SERVICE STATIONS	27,100	27,200	25,300	-100	1,800
OTHER RETAIL TRADE	133,000	131,500	126,100	1,500	6,900
FINANCE, INSURANCE, & REAL ESTATE	74,600	74,100	71,900	500	2,700
BANKING & CREDIT AGENCIES	24,100	23,900	23,800	200	300
OTHER FINANCE, INSURANCE, & REAL ESTATE	50,500	50,200	48,100	300	2,400
SERVICES	261,400	262,300	245,900	-900	15,500
HOTELS & PERSONAL SERVICES	25,600	26,100	24,800	-500	800
HEALTH SERVICES	80,300	79,800	76,200	500	4,100
OTHER SERVICES	155,500	156,400	144,900	-900	10,600
GOVERNMENT	213,700	218,800	209,600	-5,100	4,100
FEDERAL GOVERNMENT	31,200	31,100	30,400	100	800
STATE GOVERNMENT	59,300	60,300	58,400	-1,000	900
EDUCATION	25,300	25,700	25,200	-400	100
OTHER STATE	34,000	34,600	33,200	-600	800
LOCAL GOVERNMENT	123,200	127,400	120,800	-4,200	2,400
EDUCATION	79,000	81,000	77,400	-2,000	1,600
OTHER LOCAL	44,200	46,400	43,400	-2,200	800
LABOR – MANAGEMENT DISPUTES	1,200	1,200	100	0	1,100

[1] Preliminary

[2] Revised

[3] Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

[4] Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

NEW UNEMPLOYMENT ESTIMATING METHOD

Fred Klatz

The system which produces the unemployment rate for Oregon will soon undergo a substantial change. This change will become effective next month with the release of January 1989 labor force estimates. In addition, historical monthly labor force, employment and unemployment estimates at the state level only will be revised from 1978 through 1988. Since this is part of a procedural change at the national level and will be implemented for most states in the country, it isn't unique to Oregon.

BACKGROUND

Until now, Oregon and most other states used a building block estimating procedure which combined employment and unemployment data from different sources to generate a total estimate. This procedure was especially dependent on administrative data from the state unemployment insurance system. Many viewed this as a shortcoming since unemployment insurance laws and coverage vary from state to state. This variation made it difficult to develop meaningful comparisons between state unemployment rates. Until the federal government began distributing federal funds among states based in part on state unemployment levels, this anomaly was just an irritant. Once the distribution of federal monies was at least in part determined by state unemployment, it became very important to accurately compare state unemployment rates.

At that time, the results from a large monthly household survey conducted across the nation were used as a control for each state. This allowed reasonable comparisons to be made between state unemployment rates and promoted a more equitable distribution of federal dollars.

There were some shortcomings associated with the use of this survey. In a state such as Oregon which has a small population, the national survey doesn't have enough households in its sample to use the monthly results of the survey directly. Therefore, data from the survey are averaged for the most recent six month period and combined with similar data from the building block procedure to produce an estimate for the state.

Even though this combined procedure produced better estimates than the building block method alone, it was still subject to criticism. One criticism was that it wasn't possible to measure the reliability of the monthly estimates since the procedure used many sources of data. Another was that the procedure was very dependent on unemployment insurance data, but the proportion of the unemployed covered by unemployment insurance was declining. For these reasons it was felt that a completely new approach should be tried to develop a better way of estimating unemployment at the state level.

NEW METHOD

The Levitan Commission, which was appointed by congress to conduct a review of the unemployment estimating system for the nation in the late 1970s, recommended that a statistical procedure called regression analysis be seriously studied as a possible means of producing better unemployment estimates for less populous states. This technique relies on the idea that an analysis of historical data can often reveal certain elements in a state's economy which, when properly combined, can provide accurate estimates of employment and unemployment for the entire economy. The Bureau of Labor Statistics was given the responsibility for doing the required research and development of the specific equations for each state. After several years of work the Bureau produced the necessary equations and the process of field testing the new methodology began. After two years of testing in the field and incorporating the modifications based on these field tests, the states will begin using the new methodology in February 1989. Even though this is a national program, some states will not use this new estimating technique. The 11 most populous states, which have sufficient household samples, will continue to produce their unemployment estimates directly using the results of the national household survey. The 39 states, such as Oregon, which do not have large enough samples to use monthly survey data directly, will begin using this new estimating procedure.

We hope that this new procedure will overcome many of the problems which beset the old system. One important aspect of the new system is that it can automatically adjust itself to structural changes in the economy. That is, as the economy of Oregon changes, so will the equations used in the state's estimating procedure.

The story doesn't stop here, however. One of the objectives of future work will be to develop some measure of reliability of the estimates produced by this new methodology. Also, the Bureau of Labor Statistics' research staff will attempt to extend this new procedure to sub-state estimates. In addition, this new procedure is subject to review. If better data is obtained or new types of data found, the estimating procedure will be revised.

SUMMARY

In February 1989, thirty-nine states and the District of Columbia will begin using a new unemployment estimating procedure. This new procedure is based on an analysis of each state's historical employment and unemployment characteristics to develop equations which will produce employment and unemployment estimates for each state. ☐

WARN-A NEW LAW

Kimberly Dunn

(Editor's note: Kimberly Dunn is a marketing/communications analyst with the Job Training Partnership Act Administration, Oregon Economic Development Department.)

The Worker Adjustment and Retraining Act (WARN) was enacted August 4, 1988, and becomes effective February 4, 1989. The Act states that "an employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of such an order;

1. to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee;

2. to the State Dislocated Worker Unit and the chief elected official of the unit of local government within which such closing or layoff is to occur."

Written notice under WARN may be required as early as December 6, 1988, for plant closings or mass layoffs beginning February 4, 1989.

Notification is mandatory for businesses which meet certain conditions defined in the Act. The basic conditions include:

- the business has 100 or more employees;
- the permanent or temporary closing results in the loss of employment for 50 or more employees;
- a "mass layoff" of at least one third of the employees, or 500 workers, whichever is less.

Penalties for violations of the notice requirement are provided in the law. WARN states that an employer ordering a plant closing or mass layoff without giving proper written notice "shall be liable to each aggrieved employee who suffers an employment loss as a result of such closing or layoff". Available penalties defined include back pay and benefits (including the cost of medical expenses incurred during the employment loss which would have been covered under an employee benefit plan if the employment loss had not occurred) for each day of violation up to the full 60 days.

The purpose of WARN is to allow time for employees, communities and job training programs to respond positively to shut-downs and plant closures.

The purpose of WARN is to allow time for employees, communities and job training programs to respond positively to shut-downs and plant closures. The job training programs available to benefit dislocated workers have been enhanced through the passage of a companion bill, the Economic Dislocation and Worker Adjustment Assistance (EDWAA) Act. This Act provides for a rapid response to workers with retraining, support and employment assistance. It also provides for the State Dislocated Worker Unit to marshall Economic Development resources to help the employer explore ways to avert unnecessary closures. EDWAA will be described in more detail in upcoming issues of **Oregon Labor Trends.**

The State Dislocated Worker Unit has the responsibility to receive early warning of plant closures under WARN, and to administer the provisions of EDWAA. Since the services provided by EDWAA are part of a system designed to smooth the transitions that accompany any plant closures or layoffs, all businesses facing closure or layoff are encouraged to contact the Dislocated Worker Unit, even if their size and conditions do not mandate their compliance with WARN.

For more information, call the State Dislocated Worker Unit at (503) 373-1995.

Official notice of plant closures or mass layoffs should be mailed to:

The State Dislocated Worker Unit
c/o JTPA Administration
Economic Development Dept.
155 Cottage St. NE
Salem, Oregon 97310 ☐

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			**Average Weekly Hours**			**Average Hourly Earnings**		
	Nov.[2] 1988	**Oct.[3] 1988**	**Nov. 1987**	**Nov.[2] 1988**	**Oct.[3] 1988**	**Nov. 1987**	**Nov.[2] 1988**	**Oct.[3] 1988**	**Nov. 1987**
TOTAL MANUFACTURING[4]	$419.44	$429.60	$422.01	39.2	40.3	39.7	$10.70	$10.66	$10.63
Durable Goods	426.31	441.73	428.93	39.4	40.6	40.2	10.82	10.88	10.67
Lumber & Wood Products	420.98	447.58	429.60	38.8	40.8	40.0	10.85	10.97	10.74
Logging & Sawmills	450.43	488.31	455.04	38.4	41.0	39.5	11.73	11.91	11.52
Veneer & Plywood	416.81	436.89	421.65	39.1	41.1	40.7	10.66	10.63	10.36
Millwork & Structural	349.77	353.73	375.65	39.3	39.7	41.1	8.90	8.91	9.14
Mobile Homes	331.19	339.08	321.48	38.2	39.2	36.0	8.67	8.65	8.93
Other Wood Products	416.30	425.58	419.76	40.3	41.0	40.4	10.33	10.38	10.39
Furniture & Fixtures	325.37	357.98	379.26	37.1	38.7	38.7	8.77	9.25	9.80
Primary Metals	521.66	508.00	527.61	41.8	41.2	43.0	12.48	12.33	12.27
Fabricated Metals	391.78	386.40	372.27	40.1	40.0	39.9	9.77	9.66	9.33
Machinery (Ex Electrical)	444.96	447.41	454.01	39.8	40.6	40.5	11.18	11.02	11.21
Nondurable Goods	400.28	397.98	404.74	38.6	39.6	38.4	10.37	10.05	10.54
Food & Kindred Products	321.77	317.94	316.09	36.9	39.3	36.5	8.72	8.09	8.66
Canning & Preserving	267.46	280.76	264.08	35.9	39.6	35.4	7.45	7.09	7.46
Other Food Products	401.56	389.71	392.31	38.5	38.7	38.2	10.43	10.07	10.27
Textile Mill Products	253.74	237.35	257.72	36.3	35.8	37.9	6.99	6.63	6.80
Apparel	252.71	247.04	219.86	37.0	39.4	36.4	6.83	6.27	6.04
Paper & Allied Products	650.46	679.04	682.84	44.4	43.5	43.3	14.65	15.61	15.77
Printing & Publishing	443.80	444.83	438.00	37.2	37.1	37.5	11.93	11.99	11.68
Construction[4]	488.72	539.94	478.83	34.2	37.6	34.9	14.29	14.36	13.72
Communications & Utilities[5]	541.20	530.73	537.14	41.0	40.7	40.6	13.20	13.04	13.23
Trade[5]	297.57	312.65	287.12	33.7	34.7	33.7	8.83	9.01	8.52
Wholesale Trade	395.32	417.57	387.17	37.4	38.7	37.3	10.57	10.79	10.38
Retail Trade	248.36	257.87	239.04	31.8	32.6	32.0	7.81	7.91	7.47
Banking & Insurance[5]	334.48	358.66	332.38	37.0	38.9	37.6	9.04	9.22	8.84
State & Local Government	373.74	382.23	365.11						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

1989 ECONOMIC OUTLOOK

Jeff Hannum

Oregon's economy, like the nation's, has displayed an uncanny ability to defy the odds over the past few years. It not only survived the stock market crash in October 1987, but it went on to post one of the best years ever in 1988, especially in terms of record high employment and low unemployment. The current economic expansion, one of the longest ever during peacetime, is now entering its seventh straight year. Although the road ahead has some big potholes, the state's economy should continue to expand in 1989. The rate of growth, however, will slow and the economic gap may widen between the more diversified metropolitan areas and rural communities dependent upon the lumber and wood products industry.

> ***Although the road ahead has some big potholes, the state's economy should continue to expand in 1989.***

To a large extent, Oregon's 1989 economic prospects are tied to the health of the national economy. In fact, a recent Federal Reserve Bank of San Francisco study found that nearly two-thirds (64%) of Oregon's economic fluctuations are linked to changes in the national economy. With this in mind, we need to first look at U.S. economic prospects and policies for 1989.

At present, the U.S. economy is operating at close to full-capacity fueled by a boom in domestic capital spending and foreign exports, coupled with still-healthy consumer spending for durable goods. Employment levels are at record highs, the unemployment rate is at a 14 year low (5.3% in December), and the factory operating rate (84.4%) is at the highest level of the decade. Normally, this situation would have resulted in much higher inflation by now, especially since the dollar lost so much of its international value in the past several years. Instead, consumer prices (CPI-U) and producer prices (for finished goods) have risen by 4.4% and 4.0%, respectively, between December 1987 and December 1988.

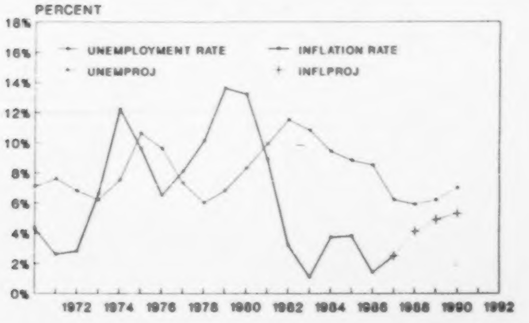
There are a number of reasons why inflation has remained relatively subdued. These include increased foreign competition, over-supply of key commodities like oil, restructured and more efficient domestic industries, increased labor productivity, workers' emphasis on job security over pay increases, monetary policy restraint by the Federal Reserve, and "Black Monday's" effect on inflationary expectations. But while inflation appears to be tame at the consumer and finished goods levels, it is gaining momentum at earlier stages of processing. In addition, some of the controlling factors mentioned above have nearly run their course and labor costs threaten to jump due to worker shortages, higher employee benefit costs (especially for health insurance), and prospects for a phased increase in the minimum wage. As a result, many economists expect consumer inflation to reach 5% in 1989, the highest rate since 1982.

To counter inflation and prevent a boom-bust scenario the Federal Reserve began to tighten monetary policy last spring. As a result, both short and long term interest rates have risen. Further rate increases are expected during the first half of 1989, or until economic growth slows to the Fed's desired range of between 2 and 2.5%. A softer economy would not only defuse inflation and buy more time for the current expansion, but it would also help to shrink the nation's huge foreign trade deficit by restraining demand for imports.

Now that the elections are over, we can also expect renewed efforts to reduce the federal budget deficit, considered by many to be the nation's number one problem. In 1989, this will probably focus primarily on spending cuts in both military and domestic programs. In 1990, we can expect to see higher excise taxes on such products as alcohol, tobacco and gasoline, and also some increase in corporate and personal income taxes (broader tax base, not necessarily higher tax rates). To the extent possible, tax changes should be designed to restrain consumption and increase savings and productive business investment.

Although the nation's economy will slow in 1989 and interest rates and inflation will move higher a recession is not expected, at least this year. Many economic indicators will continue to show growth, but at a reduced rate. These include total employment, retail sales, business capital investment, corporate profits, export sales, industrial production and overall growth in GNP. Higher interest rates and inflation, however, will probably take their greatest toll on the stock market and construction-related activities. U.S. housing starts, for exam-

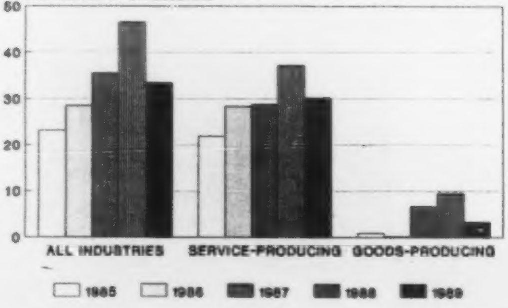
INFLATION AND UNEMPLOYMENT RATES IN OREGON



INFLATION BASED ON PORTLAND CPI-U

ANNUAL EMPLOYMENT CHANGE IN OREGON

(SLOWER GROWTH EXPECTED IN 1989)



1988 DATA PRELIMINARY
1989 DATA PROJECTED

ple, are likely to drop by at least 5% this year to about 1.4 million units following a 9% decline in 1988.

Reflecting all of these factors, the nation's unemployment rate has probably bottomed out and will gradually move higher throughout 1989 and 1990. Unemployment is expected to average about 5.6 to 5.8 percent in 1989, and may even move into the low six percent range in 1990. Demographic factors and continued strength in capital spending and export sales will help to cushion the rise in unemployment. This outlook, however, assumes that the rising potential for foreign trade disputes will be resolved through international cooperation and negotiation rather than protectionist trade policies.

For Oregon, the 1989 outlook also includes no recession, slower employment growth in most industries, and some increase in unemployment. While there is a good possibility that overall job growth will once again outpace the nation, the economic gap between metropolitan areas, especially Portland, and many rural areas will widen. The reason for this is that the types of industries located in the metro areas (i.e. services-producing, capital equipment manufacturing, export-related, etc.) will fare much better this year than will lumber and wood products.

The pulp and paper side of the forest products industry will continue to enjoy strong demand and healthy profits in 1989, but lumber and wood producers face a litany of problems. These include a weaker market nationally for building materials, higher production costs across the board, and a growing shortage of available timber supplies.

Of these, the timber supply squeeze is the most serious since it is both short and long term. Environmental appeals and recent court decisions have reduced federal timber sale offerings in 1989, and record log exports from private and state-owned lands have led to reduced and more costly timber supplies for domestic mills. In addition, new management plans for the region's federal forests are likely to result in lower harvest levels during the next decade, especially of old growth, large diameter trees. This, coupled with reduced harvests on private lands due to past over-cutting, makes the timber shortage a long term problem.

For many firms the only options are to shut down, or spend heavily to retool existing mills or replace them with new automated mills which can process smaller, second-growth logs for domestic and foreign (i.e. metric) markets. In most cases, this translates into fewer timber industry jobs. In view of these trends, it is not surprising that there have been a growing number of announcements recently of upcoming mill closures and layoffs (some of indefinite duration, others permanent), new capital investments, and labor disputes. In January, for example, a major strike began affecting over 3,000 wood products workers in Southern Oregon. According to recent projections by the Oregon Executive Department, lumber and wood products will be one of the few industries showing a decline in annual average employment in 1989 (-1,800 or 2.7%). Unfortunately, the associated rise in unemployment in these mostly rural areas will tend to be structural in nature and relatively long term.

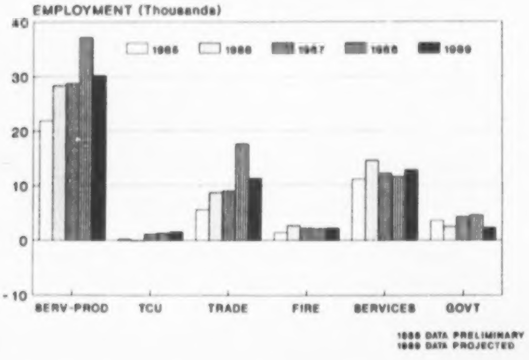
Oregon's high technology manufacturing industries may also show a schizophrenic personality in 1989. On the plus side, the state's high tech firms are mainly producer-goods oriented. Their products are purchased by other businesses to improve overall efficiency, and many are also exported. In addition, Oregon continues to benefit from Japanese investment in new and expanded high tech plants, mostly in the Portland area. Significant expansion plans are also underway at some domestic firms, although employment impacts will be mostly on the construction industry initially.

On the minus side, corporate restructuring and layoffs which have plagued some of the older established electronics companies may not yet be over. Other downside factors include an expected slowdown in defense spending and sluggish demand for semiconductors. On balance, job gains in electronic equipment and supplies should exceed any further declines in instruments and related products.

For other manufacturing industries in Oregon 1989 should be another good year, especially for those in export-related and capital equipment lines. The current strong momentum, however, is likely to lose some steam by the end of the year as the national economy winds down. Employment in the highly seasonal food products industry may even decline if processors accelerate the installation of automated equipment in light of demographic trends and potential shortages of young, entry-level workers in the next few years.

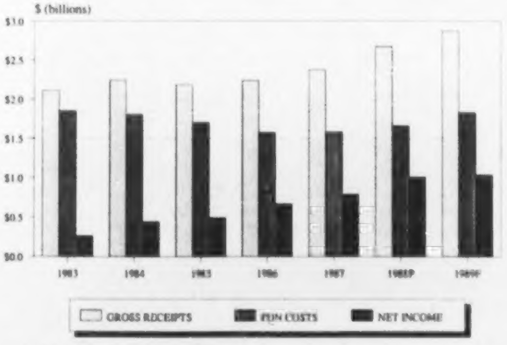
Another goods-producing industry that will fare well this year despite rising interest rates is construction. Oregon's strong economy and population in-migration will keep both residential and nonresidential construction growing contrary to the national trend. Most of the strength will be in the nonresidential area where many commercial, industrial and public facilities projects are already underway.

ANNUAL EMPLOYMENT CHANGE IN OREGON
SERVICE-PRODUCING INDUSTRIES



1988 DATA PRELIMINARY
1989 DATA PROJECTED

OREGON FARM INCOME SITUATION
RECEIPTS, EXPENSES, AND NET FARM INCOME



SOURCE: 1984-87 USDA, ERS, 1988 projection, 1989 forecast

In the past five years, eight of every ten new jobs came in the service-producing industries. This is likely to rise to nine out of ten this year mainly due to job losses in the lumber and wood products industry, continued population inmigration, and slower growth in the state's cyclical industries. Services and trade will, as usual, account for the vast majority of the new jobs.

Employment expansion in trade was exceptionally strong last year as many new stores opened and the state enjoyed another record year for tourism. Trade gains in 1989 are likely to be less robust for several reasons. These include slower consumer spending, higher interest rates and inflation, stiff retail competition, potential labor shortages, and prospects of a higher minimum wage. Tourism-related businesses are likely to have another good, if not record, year but a tight labor market will mean even higher employee turnover and wage costs.

Service industries, especially business and health services, are either recession-proof or among the last to be impacted by an economic slowdown. Shortages of professional/technical workers (registered nurses for example) and even some lesser skilled service workers (e.g. in food services) are likely to become a growing problem in 1989, adding upward pressure to labor costs.

Employment gains in the government sector will get a temporary boost from the 1989 legislative session but government will still have the slowest growth rate of the service-producing industries. The federal budget deficit and state spending limitation will continue to be limiting factors. Many local government jurisdictions in Oregon have been benefitting from the record levels of timber harvested from federal lands (25 to 50 percent of gross harvest receipts are returned to local governments to fund schools, road construction and maintenance, etc). Although many local governments are generally in good shape, their revenues could be reduced significantly after 1989 if timber harvest levels drop sharply under new forest management plans and if there is an adverse change in the current formula for allocating federal timber harvest receipts to counties. An expected increase in federal income taxes beginning next year coupled with a much weaker economy could also make it more difficult to pass local property tax levies.

The outlook for Oregon's very diverse agricultural sector is looking stronger at a time when the overall economy is beginning to weaken.

And finally, the outlook for Oregon's very diverse agricultural sector is looking stronger at a time when the overall economy is beginning to weaken. Net farm income soared last year due to strong export sales and high commodity prices associated with the severe drought in the Midwest. In 1989, net income is expected to remain at or slightly above last year's high level as exports and commodity prices stay strong while production costs rise and government price support payments decline. This rosy outlook assumes that agricultural trade disputes, such as the one recently between the U.S. and Europe over hormone-treated U.S. beef, will be resolved without adopting restrictive trade policies. It also assumes that Oregon will be drought-free this year.

Since foreign trade is becoming increasingly important to Oregon's as well as the nation's economy, some mention should be made of the likely impact from the new U.S.-Canadian Free Trade Agreement which took effect this January. Perhaps the best assessment at this time is that it's just too early to tell. For the state's primary industry, lumber and wood products, the Agreement will probably have little, if any, effect. This is the view of **Random Lengths Export** editors (a Eugene-based timber industry newsletter) who state in their January 5, 1989 issue: "The U.S.-Canadian free trade agreement (FTA) should have little impact on wood products because the concerns of the U.S. industry were addressed outside of the agreement. The U.S. Congress did not consider the FTA until the two countries had reached an agreement on softwood lumber, which resulted in a combination of export taxes and higher Canadian stumpage prices. U.S. plywood producers were successful in making the development of a common product standard a condition of eliminating plywood tariffs."

In summary, Oregon should enjoy a seventh year of economic expansion, although rising inflation and more restrictive national economic policies will begin to exert a drag on the economy. Foreign trade, capital goods manufacturing, construction, services and even agriculture will fare the best. The weakest link, unfortunately, is Oregon's number one industry, lumber and wood products, which faces a growing cost-price squeeze and shortage of available timber supplies. Although unemployment will reverse direction and begin creeping higher in 1989, especially in timber-dependent rural areas, the next recession, at least for Oregon, is not yet in sight. ☐

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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FEBRUARY 1989

OREGON LABOR TRENDS

—W.E. Hunter, Administrator • State of Oregon • EMPLOYMENT DIVISION • Department of Human Resources—

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Jan.	1989	5.1
Dec.	1988	5.1
Jan.	1988	6.0

United States (Seas. Adj.)

Jan.	1989	5.4
Dec.	1988	5.3
Jan.	1988	5.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Jan.	1989	126.5
Dec.	1988	125.7
Nov.	1988	125.4
Oct.	1988	124.6
Sept.	1988	123.7

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Dec.	1988	$10.77
Nov.	1988	$10.72
Dec.	1987	$10.71

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Dec.	1988	40.2
Nov.	1988	39.2
Dec.	1987	39.3

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1988	115.9
Yearly change	3.6%
Annual Average 1988	114.7
Yearly change	3.4%

United States

Jan. 1989	121.1
Yearly change	4.7%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

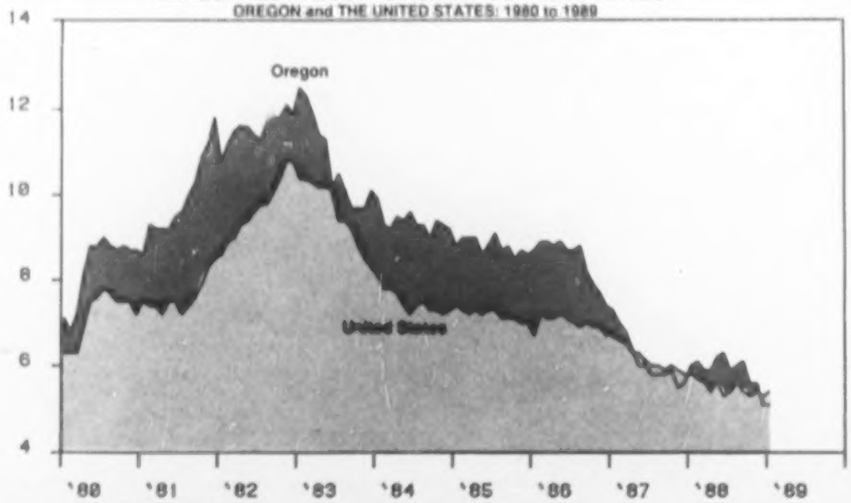
OREGON ECONOMY OUT-PERFORMING U.S.

Dick Kuczek

January was the first month in which Oregon's unemployment estimate was generated using the new regression methodology (see the December 1988 **Oregon Labor Trends** for an explanation of the new estimating methodology). Regardless of the methodology used, however, we see again that Oregon continues to enjoy a lower unemployment rate (seasonally adjusted) than the nation. Oregon's seasonally adjusted unemployment rate in January was 5.1%, the same as the previous month. The U.S. unemployment rate for January was 5.4%, up 0.1 from December's 5.3%. Normal seasonal trends dictated a fall off in employment levels in January, and this did indeed occur. Total employment fell by 17,100 in January, while the number of unemployed Oregonian's rose by 9,600. Nonfarm wage and salary employment declined by 25,500 from the previous month. These changes were somewhat less than expected as indicated by the gain in the nonfarm wage and salary employment index, which climbed to 126.5 from December's 125.7.

Comparing this January with January 1988 shows how impressive our state's economic performance has been over the last year. January 1988 saw a seasonally adjusted unemployment rate of 6.0%, almost a full percentage point above the current rate. The nonfarm employment index, at 126.5, is over 6 points higher than the year ago level of 120.3; and the data shows that we have added 56,300 wage and salary jobs over the past 12 months. Particularly impressive is the fact that every nonmanufacturing sector for which we regularly track and report employment, except for three, saw employment gains over the past year. Nonmanufacturing employment, overall, increased by 53,400 jobs, accounting for almost all the increase in the last 12 months. The three sectors which did not grow at least remained stable. Even in manufacturing, which added only 2,900 jobs since last January, more industries saw gains than losses, and this growth was well-distributed over a variety of industries such as millwork, mobile homes, primary metals, machinery, apparel, and chemicals.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

Oregon's economy showed across-the-board strength in the past month as well as over the past year. While all major employment sectors showed job losses in January, these were generally less than seasonally expected. January saw lumber and wood products employment drop by 1,400; food processing also lost 1,400 jobs (due to normal January shutdowns for plant maintenance). Construction employment dropped by 3,300, and retail trade lost 11,000 jobs as stores reduced staffing levels from their Christmas season peaks. Government employment fell by 2,000, and the services sector saw a job loss of 4,400 with 2,400 of this coming from business services.

While these numbers don't look encouraging on the surface, when compared with expected seasonal employment losses we see a substantially different picture. On a seasonally adjusted basis, these raw numbers convert to: lumber and wood products employment of 400 more than projected (probably due to relatively mild weather in January), other durable goods manufacturing up by 800 jobs (strong demand for capital equipment), and food processing losing 200 fewer jobs than seasonal trends for the industry indicated. The only manufacturing sector to record greater than normal job losses was other nondurables, which dropped only 100 on a seasonally adjusted basis.

In nonmanufacturing, the employment picture was also very similar. Smaller than expected seasonal job losses between December and January occurred in virtually all the major industries. While mining and services performed about as expected, seasonally adjusted employment rose in all other sectors led by trade (+3,100) and transportation, communication & utilities (+2,000), due in large part to a strong showing in trucking and warehousing. January's favorable weather also had a positive influence on construction.

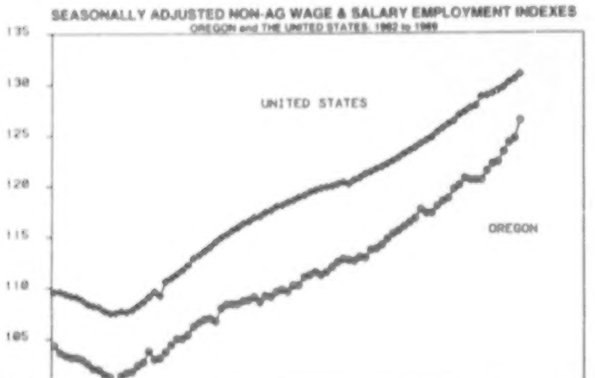
Labor disputes did not affect the December to January changes, as the number of workers on strike held steady at 1,200. No new strikes began, nor old ones ended, between the mid-month survey weeks. However, February's strike picture will be substantially different as 3,300 lumber and wood products workers in Southern Oregon struck too late in the month to be recorded in January's data. In addition, 900 timber workers who had been on strike settled their disputes and returned to work after the mid-January survey week.

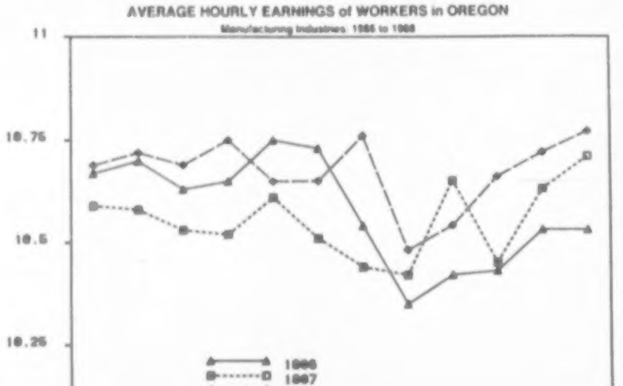
Of particular interest is the trend in lumber and wood products employment over the past few months. Considerable media attention has been given to the recent flurry of mill closures and layoffs. Since July 1, 1988, 17 facilities have closed down or laid off workers, producing job losses of 1,150. Yet, total job losses in the timber industry from July to January were only 1,800, which is far below the expected seasonal decline for this period.

One reason for this unusually small job loss relates to the timber industry's labor dispute situation over this same period. In July, there were about 3,200 timber workers on strike, while in January the number of strikers was only 1,200. Since striking workers are included in the total employment count but are not included in the industry employment totals which are developed from payroll records, the picture is skewed somewhat. However, even when the data is adjusted for timber workers involved in labor disputes, the total job loss from July to January is still 600 less than normal seasonal factors would predict. While January was a good month due, in part, to favorable weather, December's seasonally adjusted timber industry employment level was also higher than expected (+200) when compared with last July. This shows that the large number of layoffs and closures announced over the past few months, while causing considerable distress to the workers who have lost or will lose their jobs, has not resulted in exceptional employment declines for the industry. Quite the opposite has occurred as timber employment has grown on a seasonally adjusted basis in spite of the closures and layoffs. This means that many mills must have maintained virtually all of the workers they had in July, experiencing little, if any, seasonal decline. Thus, the industry as a whole would seem to be quite healthy at present, despite problems afflicting individual producers over the last few months. This would indicate that demand for wood products has not dropped more than seasonally expected over this period, and that lack of product demand was not a significant factor in the mill closure picture. Demand for products which the closed mills used to supply has probably shifted to the remaining producers, allowing them to keep production and employment levels up.

A positive note is that Oregon's economy is projected to out-perform the nation over the next two years.

Why has demand for the products of our local mills held up so well given the long-term decline in U.S. housing starts? At least three factors can be cited. First, the remodeling industry has





consumed an increasing proportion of industry output over the last few years, taking up the slack from declining housing starts. Secondly, the new housing that is being built has tended to be larger, upscale, single-family homes, not multi-family units nor starter homes. Upscale single-family units consume more lumber than other types of housing construction. Thus, the drop in product demand would not be as great as the decline in the number of housing starts. Finally, the West Coast has continued to enjoy a new home construction boom even though other sections of the country have seen home building stagnate or decline. How long these factors can continue to hold up our regional timber industry is uncertain. Our data indicates that another 950 jobs will be lost to layoffs and closures through April, and the long-term decline in housing construction is apt to continue. Although January saw an 8% increase in new housing starts, good weather in the Northeast skewed the seasonal trend. As interest rates continue to climb over the next few months, and as log supplies and stumpage costs continue to be a problem, more mills may find themselves squeezed between higher prices for a limited supply of timber and declining sales (and prices) for their final products as home building activity drops further due to higher interest rates. A positive note is that Oregon's economy is projected to outperform the nation over the next two years. If so, rapid population growth and accompanying housing construction in the Northwest should also outpace the nation.

The superior performance of Oregon's economy in December and January, with our unemployment rate dropping below the nation's, is the continuation of a trend since mid-1986 of Oregon's economy growing faster than the rest of the nation. From 1980 to 1985, Oregon's economy lagged the rest of the nation, going into the last recession faster and deeper than the rest of the country. As the unemployment chart shows, however, this picture reversed in the middle of 1986, and Oregon's unemployment rate fell sharply, dropping below the U.S. rate for much of 1987. While Oregon's 1988 unemployment rate showed less improvement over 1987 than nationally (6.2% to 5.8% in Oregon versus 6.2% to 5.5% nationally), this does not give the complete picture. In 1988, Oregon added 52,200 new wage and salary jobs for a growth rate of 4.7%, which significantly outpaced the 3.6% national growth rate for wage and salary employment. Thus, the Oregon economy continued to out-perform the rest of the country in 1988 in terms of new job creation.

Since 1985, Oregon has added 122,300 new jobs; 15,000 in manufacturing and 107,300 in nonmanufacturing industries. Job growth has been across diverse industries and economic sectors, including many of the state's traditional manufacturing industries. While total manufacturing employment increased 15,000 over the past three years (reflecting declines in some sectors and gains in others), the state's largest basic industry, lumber & wood products, added 5,100 new jobs. Significant gains also occurred in many other manufacturing industries led by transportation equipment (+2,000) and printing & publishing (+2,000). Primary metals even added 1,400 new jobs as previously shut-down smelters reopened. Only two manufacturing sectors lost jobs: instruments & related products (-2,700) and paper & allied products (-400). Oregon's food products industry remained relatively stable at about 24,000 as it has throughout the 1980s. This indicates that recovery in some of the state's traditional basic industries rather than expansion in new industry sectors was an important factor in the state's economic resurgence. Other factors propelling our economy include an expanding level of trade with Pacific Rim nations, the recent recovery of our diverse agricultural industry, strong capital spending for business equipment, and growth of the Portland area as an urban services center with increased employment in the financial services and business services sectors.

Rising interest rates . . . could severely damage the homebuilding industry nationwide and reduce the demand for Oregon wood products.

The outlook for Oregon in 1989 would seem to be for much of the same, despite slower overall growth and some expected job losses in the lumber & wood products industry. This was discussed in the "1989 economic outlook" article by Jeff Hannum in the January issue of **Oregon Labor Trends**. State Economist Ann Hanus (Executive Department) has recently released the latest official state economic projections, which show that Oregon's economy should out-perform the rest of the country over the next two years. The leaner and meaner timber industry, growing Pacific Rim trade, expansion of the state's tourism and recreation industry, and continued rapid population growth along with a more stabilized agricultural sector should all contribute to the Executive Department's projections coming true. How well we actually do will depend on a number of factors. Rising interest rates leading into a national recession, as some economists are forecasting, could severely damage the homebuilding industry nationwide and reduce the demand for Oregon wood products. Tighter log supplies and high stumpage costs could combine to create real problems for the Northwest's timber companies.

The state could also see some problems in the important electronics industry. Some analysts think that the recent decline in the semiconductor industry's book-to-bill ratio is pointing the high tech industries toward a cyclical slowdown in the near future. The book-to-bill ratio is the ratio of new orders to current product shipments, and is frequently used as a leading indicator to predict the future performance of the high tech industries. While this ratio has fallen in recent months, it may not be as negative a situation as some analysts believe. This is because the health of the electronics industry and demand for most computer products is dependent upon the business investment cycle. Business investment to expand and modernize facilities is holding up surprisingly well at the present time despite the rise in interest rates over the past few months. Investment in plant and equipment may be continuing because the big increase in interest rates has been in short-term rather than long-term rates. It is the long-term rates which have the most impact on the investment cycle. So if Ms. Hanus' projections hold up, which seems very likely to this economist, Oregon should enjoy another two years of outpacing the national economy. ☐

'OREGON CAREERS' READY FOR 1989

Oregon Careers 1989 is now ready for distribution from the Employment Division. This tabloid is designed for career decision-makers of all ages from junior high students to senior citizens. Its purpose is to inform readers about the Oregon economy and to describe the state's major occupations--their employment levels, wages, outlook, training and licensure requirements--and some of the many state and local human resource programs available to help Oregonians prepare for the labor market.

Copies are available by contacting Susan Bell in Salem at 378-6400 or toll-free 1-800-237-3710 extension 8-6400.

RESIDENT OREGON LABOR FORCE

	JAN.[1] 1989	DEC.[2] 1988	CHANGE	%CHANGE	JAN.[5] 1988
CIVILIAN LABOR FORCE[3]	1,426,100	1,433,600	-7,500	-0.5	1,399,900
UNEMPLOYMENT	87,000	77,400	9,600	12.4	99,800
PERCENT OF LABOR FORCE	6.1	5.4	XXX	XXX	7.1
SEASONALLY ADJUSTED PERCENT	5.1	5.1	XXX	XXX	6.0
TOTAL EMPLOYMENT[4]	1,339,100	1,356,200	-17,100	-1.3	1,300,100

[1] *Preliminary*

[2] *Revised*

[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*

[4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*

[5] *Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	JAN.[1] 1989	DEC.[2] 1988	JAN. 1988	DEC. 1988	JAN. 1988
TOTAL[3]	1,157,800	1,183,300	1,101,500	-25,500	56,300
WAGE & SALARY EMPLOYMENT INDEX[4]	126.5	125.7	120.3	XXX	XXX
TOTAL MANUFACTURING	209,300	212,700	206,400	-3,400	2,900
DURABLE GOODS	154,700	156,400	151,900	-1,700	2,800
LUMBER & WOOD PRODUCTS	67,100	68,500	67,800	-1,400	-700
LOGGING & SAWMILLS	33,700	34,900	34,500	-1,200	-800
VENEER & PLYWOOD	16,700	16,800	17,700	-100	-1,000
MILLWORK & STRUCTURAL WOOD	10,500	10,600	9,900	-100	600
MOBILE HOMES	1,800	1,800	1,400	0	400
OTHER WOOD PRODUCTS	4,400	4,400	4,300	0	100
FURNITURE AND FIXTURES	2,600	2,600	2,600	0	0
STONE, CLAY, GLASS & CONCRETE	4,100	4,200	3,600	-100	500
PRIMARY METALS	10,600	10,600	9,800	0	800
BLAST FURNACES, IRON & STEEL	6,300	6,300	5,800	0	500
NONFERROUS METALS	4,300	4,300	4,000	0	300
FABRICATED METALS	11,600	11,800	10,100	-200	1,500
FABRICATED STRUCTURAL METALS	5,100	5,200	4,200	-100	900
OTHER FABRICATED METALS	6,500	6,600	5,900	-100	600
MACHINERY	17,700	17,500	16,700	200	1,000
ELECTRICAL EQUIPMENT & SUPPLIES	16,100	16,100	14,400	0	1,700
TRANSPORTATION EQUIPMENT	10,100	10,100	11,100	0	-1,000
INSTRUMENTS & RELATED PRODUCTS	11,400	11,500	12,300	-100	-900
MISCELLANEOUS MANUFACTURING	3,400	3,500	3,500	-100	-100
NONDURABLE GOODS	54,600	56,300	54,500	-1,700	100
FOOD & KINDRED PRODUCTS	20,500	21,900	20,800	-1,400	-300
CANNING & PRESERVING	9,000	10,300	10,100	-1,300	-1,100
OTHER FOOD PRODUCTS	11,500	11,600	10,700	-100	800
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	-100
APPAREL	2,700	2,700	2,500	0	200
PAPER & ALLIED PRODUCTS	8,400	8,400	9,000	0	-600
PRINTING & PUBLISHING	13,600	13,800	13,200	-200	400
CHEMICALS & ALLIED PRODUCTS	2,300	2,200	2,100	100	200
PETROLEUM REFINING	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,500	4,600	4,200	-100	300
LEATHER PRODUCTS	400	500	400	-100	0
TOTAL NONMANUFACTURING	948,500	970,600	895,100	-22,100	53,400
MINING & QUARRYING	1,200	1,400	1,200	-200	0
CONSTRUCTION	36,800	40,100	32,700	-3,300	4,100
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	62,300	62,300	58,300	0	4,000
TRANSPORTATION	40,900	40,900	37,100	0	3,800
RAILROAD	3,800	3,800	3,800	0	0
TRUCKING & WAREHOUSING	22,900	22,800	21,200	100	1,700
OTHER TRANSPORTATION	14,200	14,300	12,100	-100	2,100
COMMUNICATIONS	12,700	12,600	12,500	100	200
UTILITIES	8,700	8,800	8,700	-100	0
TRADE	295,800	307,200	275,900	-11,400	19,900
WHOLESALE TRADE	74,800	75,200	68,100	-400	6,700
DURABLE GOODS	43,800	44,000	39,900	-200	3,900
NONDURABLE GOODS	31,000	31,200	28,200	-200	2,800
RETAIL TRADE	221,000	232,000	207,800	-11,000	13,200
GENERAL MERCHANDISE	28,900	32,700	28,600	-3,800	300
FOOD STORES	38,400	38,900	33,800	-500	4,600
AUTO DEALERS & SERVICE STATIONS	27,000	27,600	26,400	-600	600
OTHER RETAIL TRADE	126,700	132,800	119,000	-6,100	7,700
FINANCE, INSURANCE, & REAL ESTATE	73,500	74,300	71,500	-800	2,000
BANKING & CREDIT AGENCIES	23,800	23,700	23,500	100	300
OTHER FINANCE, INSURANCE, & REAL ESTATE	49,700	50,600	48,000	-900	1,700
SERVICES	263,900	268,300	246,500	-4,400	17,400
HOTELS & PERSONAL SERVICES	26,500	26,900	26,000	-400	500
HEALTH SERVICES	80,300	79,800	75,000	500	5,300
OTHER SERVICES	157,100	161,600	145,500	-4,500	11,600
GOVERNMENT	215,000	217,000	209,000	-2,000	6,000
FEDERAL GOVERNMENT	31,400	32,500	30,000	-1,100	1,400
STATE GOVERNMENT	59,300	59,600	57,700	-300	1,600
EDUCATION	24,500	25,200	24,400	-700	100
OTHER STATE	34,800	34,400	33,300	400	1,500
LOCAL GOVERNMENT	124,300	124,900	121,300	-600	3,000
EDUCATION	79,600	79,900	77,900	-300	1,700
OTHER LOCAL	44,700	45,000	43,400	-300	1,300
LABOR – MANAGEMENT DISPUTES	1,200	1,200	100	1,200	1,100

[1] *Preliminary.*

[2] *Revised.*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1988 Benchmark
February 1989

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1988 1/

	Annual Average 2/	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,408.0	1,376.1	1,383.5	1,391.7	1,392.2	1,398.7	1,428.9	1,437.0	1,432.9	1,411.4	1,411.3	1,418.1	1,414.3
UNEMPLOYMENT	82.0	96.8	96.1	91.7	87.1	84.6	84.1	84.9	78.9	73.9	67.5	69.2	69.3
Percent of Labor Force	5.8	7.0	6.9	6.6	6.3	6.0	5.9	5.9	5.5	5.2	4.8	4.9	4.9
Seasonally Adjusted Percent	5.8	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
TOTAL EMPLOYMENT	1,326.0	1,279.3	1,287.4	1,300.0	1,305.1	1,314.1	1,344.8	1,352.1	1,354.0	1,337.5	1,343.8	1,348.9	1,345.0
OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1988 3/ **													
TOTAL WAGE & SALARY	1152.3	1101.5	1113.2	1123.6	1133.2	1146.6	1163.6	1149.1	1162.6	1174.2	1187.2	1189.1	1183.3
Wage & Salary Emp. Index (1977=100) 4/	123.0	120.3	121.4	121.8	121.8	122.0	122.4	122.9	123.5	123.7	124.6	125.4	125.7
MANUFACTURING, TOTAL	214.3	206.4	208.0	207.6	208.3	211.4	215.5	218.4	225.0	222.4	220.6	215.5	212.7
Durable Goods	155.9	151.9	153.1	153.1	153.6	156.0	156.3	157.8	159.2	158.0	158.5	157.2	156.4
Lumber & Wood Products	68.7	67.8	68.1	67.6	67.8	69.0	68.5	68.9	69.7	68.6	69.9	69.6	68.5
Logging & Sawmills	35.1	34.5	34.8	34.3	34.3	35.1	35.3	35.5	35.6	34.0	36.3	36.0	34.9
Veneer & Plywood	17.2	17.7	17.7	17.6	17.7	17.6	16.5	16.6	17.0	17.5	16.9	16.9	16.8
Millwork & Structural Wood	10.4	9.9	9.9	9.9	10.0	10.3	10.8	10.8	10.9	10.7	10.4	10.4	10.6
Mobile Homes	1.6	1.4	1.4	1.4	1.4	1.5	1.6	1.7	1.8	1.8	1.8	1.8	1.8
Other Wood Products	4.4	4.3	4.3	4.4	4.4	4.5	4.3	4.3	4.4	4.6	4.5	4.5	4.4
Furniture & Fixtures	2.7	2.6	2.6	2.7	2.7	2.8	2.8	2.8	2.7	2.7	2.7	2.7	2.6
Stone, Clay, Glass & Concrete Prod.	4.1	3.6	3.6	3.7	4.0	4.1	4.2	4.3	4.5	4.5	4.5	4.3	4.2
Primary Metals	10.2	9.8	9.9	9.9	10.0	10.1	10.3	10.4	10.5	10.3	10.4	10.3	10.6
Blast Furnaces, Iron & Steel Found.	6.0	5.8	5.8	5.8	5.9	5.9	6.0	6.0	6.0	6.0	6.1	6.0	6.3
Nonferrous Metals	4.2	4.0	4.1	4.1	4.1	4.2	4.3	4.4	4.5	4.3	4.3	4.3	4.3
Fabricated Metals	11.0	10.1	10.2	10.4	10.5	10.6	10.9	11.2	11.3	11.4	11.5	11.5	11.8
Fabricated Structural Metals	4.6	4.2	4.2	4.3	4.4	4.4	4.5	4.7	4.7	4.8	4.8	4.9	5.2
Other Fabricated Metals	6.4	5.9	6.0	6.1	6.1	6.2	6.4	6.5	6.6	6.6	6.7	6.6	6.6
Machinery	17.1	16.7	16.9	17.0	16.8	17.0	16.9	17.1	17.3	17.4	17.5	17.5	17.5
Electrical Equipment & Supplies	15.3	14.4	14.5	14.7	14.9	15.1	15.2	15.5	15.7	15.8	15.7	15.9	16.1
Transportation Equipment	11.2	11.1	11.4	11.1	11.0	11.5	11.5	11.7	11.7	11.7	10.8	10.2	10.1
Instruments & Related Products	11.9	12.3	12.3	12.3	12.2	12.0	12.0	11.9	11.9	11.8	11.7	11.4	11.5
Miscellaneous Manufacturing	3.8	3.5	3.6	3.7	3.7	3.8	4.0	4.0	3.9	3.8	3.8	3.8	3.5
Nondurable Goods	58.4	54.5	54.9	54.5	54.7	55.4	59.2	60.6	65.8	64.4	62.1	58.3	56.3
Food & Kindred Products	24.1	20.8	21.0	20.4	20.4	21.4	24.4	26.0	31.3	29.8	28.0	24.3	21.9
Canning & Preserving	13.0	10.1	10.4	9.8	9.6	10.3	13.1	14.6	19.9	18.5	16.3	12.5	10.3
Other Food Products	11.2	10.7	10.6	10.6	10.8	11.1	11.3	11.4	11.4	11.3	11.7	11.8	11.6
Textile Mill Products	1.8	1.8	1.8	1.8	1.8	1.7	1.8	1.8	1.8	1.8	1.7	1.7	1.7
Apparel	2.7	2.5	2.6	2.5	2.6	2.7	2.7	2.7	2.7	2.8	2.7	2.7	2.7
Paper & Allied Products	8.7	9.0	9.0	9.0	8.9	8.4	9.0	8.8	8.6	8.5	8.4	8.3	8.4
Printing & Publishing	13.5	13.2	13.3	13.4	13.4	13.4	13.5	13.3	13.5	13.5	13.5	13.6	13.8
Chemicals & Allied Products	2.2	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.3	2.3	2.2	2.2	2.2
Petroleum Refining	0.6	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5
Rubber & Plastic Products	4.5	4.2	4.2	4.3	4.4	4.5	4.5	4.6	4.6	4.6	4.5	4.6	4.6
Leather Products	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.4	0.5

1988 Continued

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	938.0	895.1	905.2	916.0	924.9	935.2	948.1	930.7	937.6	951.8	966.6	973.6	970.6
Mining & Quarrying	1.4	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.4
Construction	39.0	32.7	33.4	34.8	37.5	39.2	40.2	41.6	43.1	42.9	42.7	39.8	40.1
Transp., Comm. & Utilities	60.5	58.3	58.7	59.1	59.2	59.8	60.7	60.6	61.6	61.5	61.9	62.2	62.3
Transportation	39.1	37.1	37.5	37.8	37.8	38.3	39.1	39.0	39.9	40.0	40.5	40.7	40.9
Railroad	3.9	3.8	3.8	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.0	3.9	3.8
Trucking & Warehousing	22.0	21.2	21.4	21.4	21.3	21.5	22.1	22.3	22.5	22.0	22.4	22.6	22.8
Other Transportation	13.2	12.1	12.3	12.5	12.6	12.9	13.1	12.8	13.5	14.1	14.1	14.2	14.3
Communications	12.6	12.5	12.5	12.5	12.5	12.6	12.7	12.7	12.8	12.7	12.7	12.8	12.6
Utilities	8.8	8.7	8.7	8.8	8.9	8.9	8.9	8.9	8.9	8.8	8.7	8.7	8.8
Trade	291.3	275.9	275.7	279.0	282.4	285.7	292.0	295.1	297.9	299.3	301.2	304.7	307.2
Wholesale Trade	72.0	68.1	68.8	69.5	70.2	70.4	72.1	73.0	74.0	74.1	74.4	74.6	75.2
Durable Goods	42.1	39.9	40.2	40.5	41.0	41.5	42.3	42.8	43.3	43.0	43.1	43.5	44.0
Nondurable Goods	29.9	28.2	28.6	29.0	29.2	28.9	29.8	30.2	30.7	31.1	31.3	31.1	31.2
Retail Trade	219.3	207.8	206.9	209.5	212.2	215.3	219.9	222.1	223.9	225.2	226.8	230.1	232.0
General Merchandise	28.5	28.6	27.1	27.1	26.8	26.9	27.2	27.6	28.1	28.5	29.7	31.3	32.7
Food Stores	36.5	33.8	34.1	34.4	34.4	35.2	36.3	37.1	37.9	38.0	39.0	39.1	38.9
Auto Dealers & Service Stations	27.9	26.4	26.4	26.9	27.7	27.9	28.5	28.8	28.7	28.8	28.5	28.2	27.6
Other Retail Trade	126.5	119.0	119.3	121.1	123.3	125.3	127.9	128.6	129.2	129.9	129.6	131.5	132.8
Finance, Ins. & Real Estate	73.6	71.5	71.9	72.7	72.9	73.3	74.4	74.5	74.8	74.8	74.2	73.9	74.3
Banking & Credit Agencies	23.7	23.5	23.5	23.6	23.8	23.8	23.9	24.0	23.9	23.7	23.5	23.5	23.7
Other Finance, Ins. & Real Estate	49.9	48.0	48.4	49.1	49.1	49.5	50.5	50.5	50.9	51.1	50.7	50.4	50.6
Services	260.6	246.5	251.8	254.9	257.0	257.7	260.4	262.2	263.9	267.1	267.6	269.9	268.3
Hotels & Personal Services	27.8	26.0	26.4	27.1	27.7	27.9	29.1	29.5	29.5	28.7	27.8	27.3	26.9
Health Services	77.4	75.0	75.4	76.1	76.6	76.7	77.5	77.2	77.8	78.5	79.0	79.3	79.8
Other Services	155.4	145.5	150.0	151.7	152.7	153.1	153.8	155.5	156.6	159.9	160.8	163.3	161.6
Government	211.5	209.0	212.4	214.2	214.6	218.2	219.0	195.3	194.9	204.8	217.5	221.6	217.0
Federal	31.7	30.0	29.5	29.6	30.4	31.3	32.8	33.1	33.0	32.9	32.7	32.3	32.5
State Government	58.6	57.7	58.9	59.3	59.3	59.7	60.5	55.8	56.4	55.8	60.2	60.4	59.6
Education	23.9	24.4	25.5	25.7	25.3	25.5	25.6	19.9	19.5	19.8	25.2	25.7	25.2
Other State	34.7	33.3	33.4	33.6	34.0	34.2	34.9	35.9	36.9	36.0	35.0	34.7	34.4
Local Government	121.2	121.3	124.0	125.3	124.9	127.2	125.7	106.4	105.5	116.1	124.6	128.9	124.9
Education	75.4	77.9	80.3	81.0	80.1	81.0	78.6	58.0	57.1	69.5	78.9	81.9	79.9
Other Local	45.9	43.4	43.7	44.3	44.8	46.2	47.1	48.4	48.4	46.6	45.7	47.0	45.0
LABOR-MANAGEMENT DISPUTES	1.4	0.1	0.1	0.2	0.1	0.7	2.4	4.9	3.8	1.1	0.8	1.2	1.2

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

State of Oregon
EMPLOYMENT DIVISION
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Research and Statistics
March 1988 Benchmark
February 1989

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1987 1/

	Annual Average	2/ Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,387.0	1,356.4	1,359.7	1,360.5	1,362.1	1,374.6	1,402.7	1,411.1	1,420.5	1,397.7	1,401.7	1,405.3	1,391.6
UNEMPLOYMENT	86.0	108.7	102.9	98.4	88.0	83.6	83.0	81.3	78.7	75.7	74.8	76.4	80.5
Percent of Labor Force	6.2	8.0	7.6	7.2	6.5	6.1	5.9	5.8	5.5	5.4	5.3	5.4	5.8
Seasonally Adjusted Percent	6.2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
TOTAL EMPLOYMENT	1,301.0	1,247.7	1,256.8	1,262.1	1,274.1	1,291.0	1,319.7	1,329.8	1,341.8	1,322.0	1,326.9	1,328.9	1,311.1

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1987 3/ **

	Annual Average	2/ Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
TOTAL WAGE & SALARY	1100.1	1050.2	1058.1	1067.2	1079.1	1095.1	1110.9	1103.2	1110.8	1126.2	1134.3	1135.0	1131.5
Wage & Salary Emp. Index (1977=100) 4/	117.4	114.7	115.3	115.7	116.0	116.5	116.8	118.0	118.0	118.6	119.1	119.7	120.3
MANUFACTURING, TOTAL	206.2	191.9	194.6	195.4	196.6	201.2	208.8	216.1	217.8	217.9	213.0	212.0	209.4
Durable Goods	149.2	140.5	141.3	142.1	143.4	147.6	150.6	153.6	154.4	155.0	152.6	154.3	154.4
Lumber & Wood Products	68.0	64.6	64.0	64.2	65.3	67.4	69.7	71.3	71.5	71.3	68.8	69.2	69.2
Logging & Sawmills	34.9	33.1	32.4	32.3	32.7	34.1	35.7	37.0	37.3	37.0	35.3	35.8	35.7
Veneer & Plywood	17.7	17.3	17.3	17.5	17.5	17.7	17.9	18.0	17.9	17.9	17.6	17.6	17.6
Millwork & Structural Wood	10.2	9.5	9.5	9.6	10.0	10.4	10.7	10.7	10.7	10.7	10.3	10.1	10.2
Mobile Homes	1.4	1.2	1.2	1.2	1.3	1.3	1.4	1.5	1.5	1.5	1.5	1.5	1.5
Other Wood Products	3.9	3.5	3.6	3.6	3.8	3.9	4.0	4.1	4.1	4.2	4.1	4.2	4.2
Furniture & Fixtures	2.5	2.4	2.4	2.4	2.4	2.5	2.5	2.6	2.5	2.6	2.7	2.7	2.7
Stone, Clay, Glass & Concrete Prod.	3.6	3.1	3.2	3.2	3.3	3.6	3.7	3.8	3.9	4.0	4.1	3.9	3.8
Primary Metals	9.3	8.5	8.7	8.9	9.0	9.1	9.4	9.6	9.5	9.7	9.7	9.7	9.8
Blast Furnaces, Iron & Steel Found.	5.5	5.2	5.3	5.4	5.4	5.4	5.6	5.6	5.6	5.7	5.7	5.7	5.8
Nonferrous Metals	3.8	3.3	3.4	3.5	3.6	3.7	3.8	4.0	3.9	4.0	4.0	4.0	4.0
Fabricated Metals	10.2	9.7	9.7	9.9	9.8	10.0	10.2	10.3	10.5	10.7	10.6	10.5	10.4
Fabricated Structural Metals	4.4	4.2	4.3	4.4	4.3	4.4	4.5	4.5	4.6	4.7	4.5	4.5	4.4
Other Fabricated Metals	5.8	5.5	5.4	5.5	5.5	5.6	5.7	5.8	5.9	6.0	6.1	6.0	6.0
Machinery	15.8	15.0	15.2	15.2	15.4	15.6	15.8	15.8	15.9	16.1	16.1	16.5	16.6
Electrical Equipment & Supplies	13.6	12.8	12.9	13.0	13.2	13.3	13.5	13.8	13.9	13.9	14.1	14.2	14.3
Transportation Equipment	10.8	9.7	10.4	10.4	10.1	11.0	10.6	11.0	11.2	11.2	10.8	11.4	11.7
Instruments & Related Products	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.2	12.2	12.1	12.1	12.2	12.3
Miscellaneous Manufacturing	3.2	2.6	2.7	2.8	2.8	3.0	3.1	3.2	3.3	3.4	3.6	4.0	3.6
Nondurable Goods	57.1	51.4	53.3	53.3	53.2	53.6	58.2	62.5	63.4	62.9	60.4	57.7	55.0
Food & Kindred Products	24.0	19.3	21.0	20.7	20.7	20.9	25.3	29.3	29.9	29.3	26.6	23.6	21.1
Canning & Preserving	13.2	8.7	10.4	10.2	10.2	10.3	14.4	18.3	18.9	18.4	15.5	12.5	10.1
Other Food Products	10.8	10.6	10.6	10.5	10.5	10.6	10.9	11.0	11.0	10.9	11.1	11.1	11.0
Textile Mill Products	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Apparel	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.4	2.5	2.5	2.6	2.6	2.6
Paper & Allied Products	9.2	9.2	9.2	9.2	9.2	9.1	9.2	9.3	9.3	9.2	9.0	9.0	9.0
Printing & Publishing	12.8	12.4	12.4	12.5	12.4	12.5	12.5	12.7	12.8	12.9	13.1	13.4	13.4
Chemicals & Allied Products	2.1	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Petroleum Refining	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.5
Rubber & Plastic Products	3.8	3.5	3.6	3.6	3.7	3.7	3.8	3.9	3.9	4.0	4.1	4.1	4.1
Leather Products	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.4

1987 Continued

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	893.9	858.3	863.5	871.8	882.5	893.9	902.1	887.1	893.0	908.3	921.3	923.0	922.1
Mining & Quarrying	1.4	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.4
Construction	35.3	29.6	29.4	29.9	32.2	34.4	36.0	38.5	39.1	39.8	39.6	38.6	36.2
Transp., Comm. & Utilities	58.5	56.8	57.0	57.2	57.6	57.9	58.6	58.6	58.8	59.8	59.8	59.4	60.2
Transportation	37.2	35.7	35.9	36.0	36.4	36.8	37.3	37.2	37.4	38.4	38.6	38.2	38.9
Railroad	4.0	4.0	3.9	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.9	3.8
Trucking & Warehousing	21.4	20.4	20.5	20.4	20.5	20.9	21.4	22.0	22.1	22.3	22.0	22.0	22.7
Other Transportation	11.8	11.3	11.5	11.7	11.9	11.9	11.9	11.2	11.3	12.1	12.6	12.3	12.4
Communications	12.5	12.5	12.5	12.5	12.4	12.3	12.4	12.5	12.5	12.5	12.5	12.5	12.5
Utilities	8.8	8.6	8.6	8.7	8.8	8.8	8.9	8.9	8.9	8.9	8.7	8.7	8.8
Trade	276.7	264.2	262.5	265.2	269.1	273.4	277.5	279.2	282.9	284.3	284.0	287.9	290.1
Wholesale Trade	68.2	65.9	65.8	66.5	67.2	67.5	68.5	69.0	69.9	70.1	69.7	69.3	69.1
Durable Goods	39.9	39.0	38.9	39.2	39.5	39.6	40.2	40.4	40.2	40.4	40.3	40.4	40.4
Nondurable Goods	28.3	26.9	26.9	27.3	27.7	27.9	28.3	28.6	29.7	29.7	29.4	28.9	28.7
Retail Trade	208.5	198.3	196.7	198.7	201.9	205.9	209.0	210.2	213.0	214.2	214.3	218.6	221.0
General Merchandise	27.1	26.5	25.3	25.2	25.6	25.8	26.3	26.7	27.2	27.2	27.8	30.2	31.4
Food Stores	33.8	32.2	32.1	32.2	32.6	33.2	33.8	34.2	34.6	34.8	35.0	35.3	35.3
Auto Dealers & Service Stations	26.5	24.7	24.9	25.2	26.1	26.7	27.0	27.1	27.3	27.3	27.2	27.0	27.0
Other Retail Trade	121.2	114.9	114.4	116.1	117.6	120.2	121.9	122.2	123.9	124.9	124.3	126.1	127.3
Finance, Ins. & Real Estate	72.1	70.1	70.2	70.7	71.5	72.0	72.8	73.6	73.6	73.4	72.4	72.2	72.5
Banking & Credit Agencies	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.9	23.9	23.9	23.7	23.8	23.9
Other Finance, Ins. & Real Estate	48.3	46.3	46.4	46.9	47.7	48.2	49.0	49.7	49.7	49.5	48.7	48.4	48.6
Services	244.4	233.0	236.7	239.0	242.4	243.7	243.2	246.2	248.9	249.3	250.1	249.6	250.1
Hotels & Personal Services	26.4	24.3	24.5	25.2	25.9	26.5	27.2	27.8	27.9	27.8	27.3	26.5	26.4
Health Services	74.4	73.3	73.4	73.9	73.8	73.7	74.4	74.8	75.3	75.4	75.0	74.9	75.4
Other Services	143.5	135.4	138.8	139.9	142.7	143.5	141.6	143.6	145.7	146.1	147.8	148.2	148.3
Government	205.6	203.3	206.4	208.5	208.3	211.1	212.5	189.5	188.2	200.2	213.9	213.8	211.6
Federal	30.6	28.6	28.0	28.6	29.7	30.2	30.8	32.2	32.4	32.6	31.9	30.9	30.8
State Government	56.9	55.2	56.6	57.8	57.7	57.5	58.8	54.3	53.8	54.0	59.6	59.1	58.5
Education	23.6	24.1	25.2	25.4	25.0	24.9	24.9	19.8	19.2	19.1	24.9	25.6	25.2
Other State	33.3	31.1	31.4	32.4	32.7	32.6	33.9	34.5	34.6	34.9	34.7	33.5	33.3
Local Government	118.1	119.5	121.8	122.1	120.9	123.4	122.9	103.0	102.0	113.6	122.4	123.8	122.3
Education	73.8	77.1	79.2	79.2	77.7	79.2	77.4	56.6	55.5	67.9	77.8	79.6	78.3
Other Local	44.4	42.4	42.6	42.9	43.2	44.2	45.5	46.4	46.5	45.7	44.6	44.2	44.0
LABOR MANAGEMENT DISPUTES	0.2	0.0	0.0	0.0	1.4	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagricultural wage and salary, self employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

NATIONAL PAY SURVEY REPORT PUBLISHED

Pete Dissmore

Do you need information on the average wage of engineers in private industry in the United States ...or in metropolitan areas?

An important salary survey report was recently issued by the Bureau of Labor Statistics (publication date - November 1988). It is PATC - a national survey of professional, administrative, technical, and clerical pay (nicknamed Patsy), and has been conducted in a somewhat different manner in the last two years than previously. The 1987 survey was of service industries only (private) and the 1988 survey is of private nonservice industries. Prior reports covered a broader spectrum of industries so are not directly comparable.

The purpose of this survey series is to carry out the responsibilities of the Bureau of Labor Statistics (BLS) under the Federal Pay Comparability Act of 1970. However, it is very useful as an additional source of wage information on a national basis. Accountants, computer programmers, computer system analysts, drafters, engineers and numerous clerical jobs are typical of occupational categories included in the survey.

This source can be used in determining Oregon wage levels for certain occupations by adusting the data for differences between national and Oregon wage levels in the particular industry involved. Annual wages per employee by state and for the nation as a whole by private industry classification are obtained from another BLS publication **Employment and Wages**.

The PATC salary survey report is for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C..20402. When ordering refer to Bulletin 2317.

Do you need information on the wage levels of accounting clerks in Oregon? Information regarding Oregon wage levels for 340 common occupations can be obtained without charge by requesting a copy of **Oregon Wage Information - 1988**. Over 70% of all Oregonians working for wages and salaries in the private and public sectors work in these occupations. This is not a survey report but rather a compilation of wage data from a variety of sources which was published last spring by the Oregon Employment Division. To receive this publication call Susan Bell at (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657. ☐

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Dec.[2] 1988	Nov.[3] 1988	Dec. 1987	Dec.[2] 1988	Nov.[3] 1988	Dec. 1987	Dec.[2] 1988	Nov.[3] 1988	Dec. 1987
TOTAL MANUFACTURING[4]	$432.95	$420.22	$420.90	40.2	39.2	39.3	$10.77	$10.72	$10.71
Durable Goods	436.85	426.31	425.86	40.3	39.4	39.8	10.84	10.82	10.70
Lumber & Wood Products	437.30	420.98	418.86	39.9	38.8	39.0	10.96	10.85	10.74
Logging & Sawmills	469.62	448.90	437.37	39.2	38.4	37.9	11.98	11.69	11.54
Veneer & Plywood	436.40	417.59	409.51	40.9	39.1	39.3	10.67	10.68	10.42
Millwork & Structural	356.98	350.16	385.14	40.2	39.3	42.0	8.88	8.91	9.17
Mobile Homes	344.67	340.10	318.45	39.8	38.3	36.9	8.66	8.88	8.63
Other Wood Products	428.16	416.30	413.43	40.7	40.3	40.1	10.52	10.33	10.31
Furniture & Fixtures	293.75	329.73	316.09	36.4	37.3	37.9	8.07	8.84	8.34
Primary Metals	515.00	524.99	525.64	41.7	42.1	42.7	12.35	12.47	12.31
Fabricated Metals	381.22	388.85	381.64	38.9	39.8	40.6	9.80	9.77	9.40
Machinery (Ex Electrical)	456.04	443.19	459.91	40.9	39.5	41.1	11.15	11.22	11.19
Nondurable Goods	419.23	404.03	407.43	39.7	38.7	37.9	10.56	10.44	10.75
Food & Kindred Products	342.53	320.16	322.49	38.4	36.8	35.4	8.92	8.70	9.11
Canning & Preserving	295.66	264.44	266.40	38.1	35.4	33.3	7.76	7.47	8.00
Other Food Products	396.68	401.84	381.26	38.7	38.9	37.6	10.25	10.33	10.14
Textile Mill Products	267.84	253.74	263.20	37.2	36.3	37.6	7.20	6.99	7.00
Apparel	247.43	252.21	218.89	38.6	37.7	36.3	6.41	6.69	6.03
Paper & Allied Products	681.39	672.60	660.91	45.7	44.9	43.0	14.91	14.98	15.37
Printing & Publishing	445.88	444.17	425.35	37.5	37.2	36.7	11.89	11.94	11.59
Construction[4]	520.20	486.61	466.66	36.1	34.1	33.5	14.41	14.27	13.93
Communications & Utilities[5]	530.64	550.74	553.38	40.2	41.1	40.6	13.20	13.40	13.63
Trade[5]	306.64	299.04	282.38	34.3	33.6	33.3	8.94	8.90	8.48
Wholesale Trade	408.83	396.55	378.97	37.2	37.2	36.3	10.99	10.66	10.44
Retail Trade	256.62	251.05	235.32	32.9	31.9	31.8	7.80	7.87	7.40
Banking & Insurance[5]	340.71	336.70	309.46	37.4	37.0	35.9	9.11	9.10	8.62
State & Local Government	379.63	373.66	365.43						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

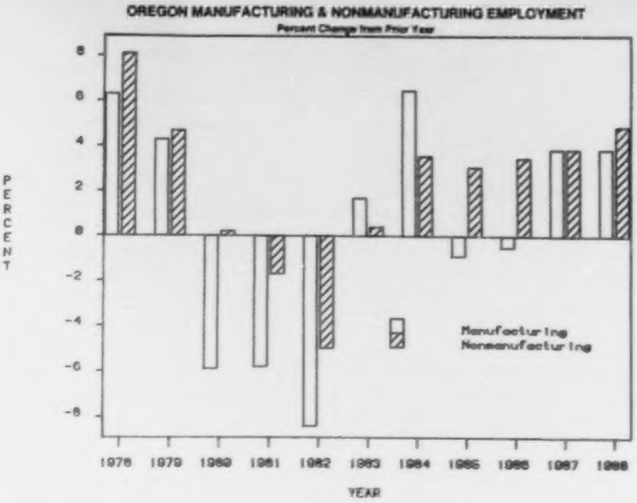
1988 JOB GROWTH REVISED UPWARD

Graham Slater

Employment and hours & earnings data for 1987 and 1988 have now been revised to the 1988 benchmark. ("Benchmarking" is an annual process of replacing monthly sample-based employment estimates with more complete counts from unemployment insurance tax records and other sources.) A summary of the new employment data is shown in the accompanying table, while full employment tables have been inserted into this edition of **Oregon Labor Trends**.

The benchmark resulted in a substantial upward revision in wage & salary employment for both years. The 1987 annual average (AA) grew by 6,100 (+0.6%) while the 1988 AA increased by 11,700 (+1.0%). As a result, our initial estimate of 4.3% nonag wage & salary employment growth in 1988 was elevated to 4.7%. This reflects the strongest year-to-year growth in ten years. Preliminary figures for the U.S. indicate a national growth rate in the 3.6% range, well below the Oregon performance.

Both the manufacturing and nonmanufacturing sectors participated in the State's strong performance in 1988 with growth rates of 3.9% and 4.9% respectively. These sectors' performance over several years is shown on one of the accompanying graphs.



The size of the revision (+11,700) was largely caused by underestimating just three industries out of the more than 100 for which employment estimates are computed. These industries were "other services" (a residual category of the services industry which includes social services, membership organizations, churches), business services (consisting of employment agencies, consultants, janitorial services, and more), and "miscellaneous special trade contractors" (dominated by painting & decorating, roofing & sheet metal work, and concrete contractors). In both the service categories, strong growth had been estimated throughout the year, but actual performance turned out even stronger.

Annual average wage & salary employment for 1988 was 1,152,300, an

COMPARISON OF 1988 AND 1987 ANNUAL AVERAGES FOR MAJOR INDUSTRIES

CATEGORY	1988 AA	1987 AA	ACTUAL CHANGE	PERCENT CHANGE
TOTAL WAGE & SALARY EMPLOYMENT	1,152,300	1,100,100	52,200	4.7%
MANUFACTURING, TOTAL	214,300	206,200	8,100	3.9%
Durable Goods	155,900	149,200	6,700	4.5%
Lumber & Wood Products	68,700	68,000	700	1.0%
Other Durables	87,200	81,200	6,000	7.4%
Nondurable Goods	58,400	57,100	1,300	2.3%
Food & Kindred Products	24,100	24,000	100	0.4%
Other Nondurables	34,300	33,100	1,200	3.6%
NONMANUFACTURING, TOTAL	938,000	893,900	44,100	4.9%
Mining & Quarrying	1,400	1,400	0	0.0%
Construction	39,000	35,300	3,700	10.5%
Transp., Comm. & Utilities	60,500	58,500	2,000	3.4%
Trade	291,300	276,700	14,600	5.3%
Finance, Ins. & Real Estate	73,600	72,100	1,500	2.1%
Services	260,600	244,400	16,200	6.6%
Government	211,500	205,600	5,900	2.9%

all-time record for Oregon. One accompanying graph shows the rapid increase in payroll employment over the past two years.

A third graph shows the spread of employment growth between various major industry sectors. The industry titles which are abbreviated on the graph are "manufacturing", "construction & mining", "transportation, communications, & utilities", "wholesale trade", "retail trade", "finance, insurance & real estate", "services", and "government".

1988 saw employment in Oregon recording its strongest growth in a decade, and reaching its highest level ever.

Employment in manufacturing grew at a 3.9% rate in each of the last two years. Machinery (+1,300) and electrical equipment & supplies (+1,700) gained the most jobs in 1988, while printing & publishing and rubber & plastic products, two industries at record levels, each added 700. Only four of the 26 manufacturing industries for which data are published recorded employment losses, and in two of those (veneer & plywood and paper & allied products), the losses were at least partially due to labor disputes.

In nonmanufacturing, 44,100 jobs were added in 1988. Services (+16,200) and trade (+14,600) took the lead, but construction also recorded an excellent year with 3,700 new jobs, a 10.5% increase over 1987. Strength was widespread, with only railroads (-100) and banking & credit agencies (-100) recording employment declines.

In terms of the actual number of new jobs created, five of the top six industries came from services or trade. Business services (+4,300) topped the list, reaching employment of 48,700, more than double the level of ten years ago.

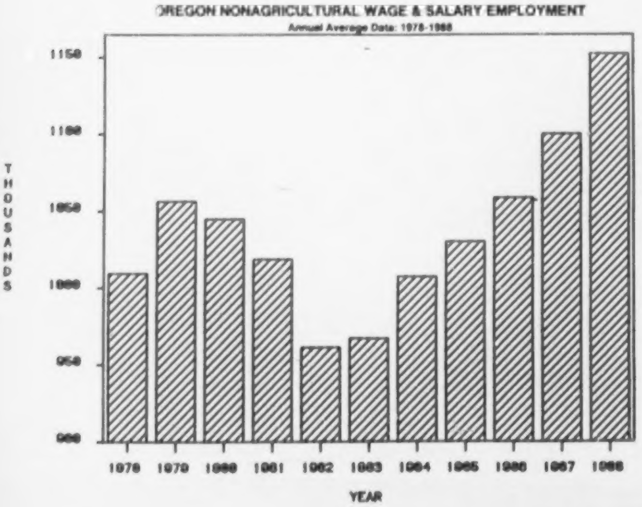
Hours & earnings statistics for 1987 and 1988 have also been revised, though revisions were small. Average hourly earnings in manufacturing was revised up one cent for 1987, and down four cents for 1988.

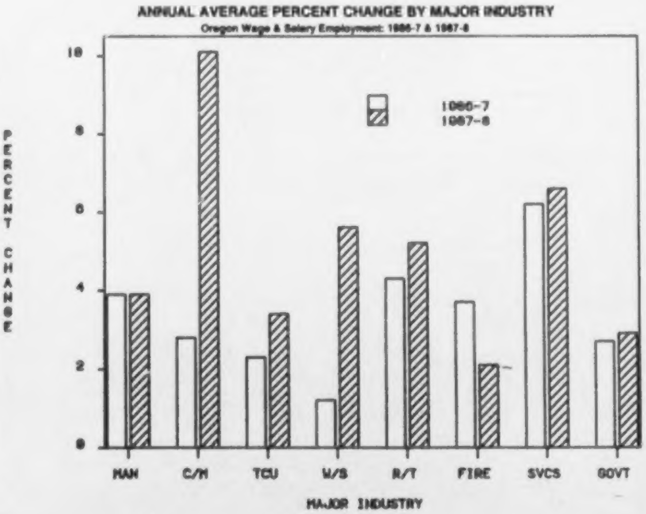
The statistics for manufacturing (production workers) are summarized below.

To summarize, 1988 saw employment in Oregon recording its strongest growth in a decade, and reaching its highest level ever. Strength was widespread, but a few worrying signs have appeared on the horizon, most notably relating to the important lumber & wood products industry. The momentum of 1988 is likely to create a strong start to 1989, and growth is expected to continue, but the rate of growth will certainly slow before the year is through.

(Any readers wishing to discuss the revised data further should contact the author at 378-2477.) ☐

	1988	1987	Change
Average Hourly Earnings	$ 10.56	$ 10.64	+$0.08
Average Weekly Hours	39.2	39.4	+ 0.2
Average Weekly Earnings	$413.95	$419.22	+$5.27





EMPLOYERS' CORNER

Dorothy Monnier

EMPLOYMENT ELIGIBILITY VERIFICATION-A NEW SERVICE TO EMPLOYERS

During this past year, we have shared information regarding Youth, Older Workers, Expropriation of Federal Unemployment Tax Act (FUTA) funds, Trade Adjustment Assistance, Targeted Jobs Tax Credit and the Quality Control Program.

> ***We are accepting the opportunity, responsibility, and challenge of verifying the employment eligibility of all individuals referred to job openings.***

Again, I want to share some exciting information that will be a GIFT to you, the employer. On April 1, 1989, the Oregon Employment Division will begin completing the Immigration and Naturalization Service's Employment Eligibility Verification Form (I-9). In the past, Oregon has not provided this service to employers. Providing such a service will be very beneficial to employers, but will have a considerable, added administrative cost to the Employment Division. This added service will:

- Increase the number of job orders.
- Alter the existing self-service/mail-in job applicant registration process.
- Automate the employee verification process.
- Generate a "Letter of Certification" to employers verifying the job applicant is authorized to work in the U.S.

THE FACTS:

From July 1987 through June 1988 (Program Year), the Employment Division:

- Registered 284,468 individuals
- Referred 148,047 individuals to jobs
- Received 127,580 job openings
- Placed 93,030 individuals in jobs

Due to the Employment Division providing this additional service to employers, it is anticipated there will be a 20% increase in placement activity. We are accepting the opportunity, responsibility, and challenge of verifying the employment eligibility of all individuals referred to job openings. We will not provide this service to employers who do not list their job openings with their local Employment Division office.

REMEMBER: Once we begin completing the Form I-9 on April 1, 1989, employers will not be audited by the Immigration and Naturalization Service if they use the Employment Division to fill their job vacancies.

Please become involved in your local Job Service Employers' Committee (JSEC) so that you have direct input into this process. Call Dorothy Monnier, State JSEC Coordinator, at 378-4446 for further details. ☐

LMI LABOR MARKET INFORMATION

STATE OF OREGON

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OREGON LABOR TRENDS

MARCH 1989

—W.E. Hunter, Administrator • State of Oregon • EMPLOYMENT DIVISION • Department of Human Resources—

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Feb.	1989	5.4
Jan.	1989	5.4
Feb.	1988	6.1

United States (Seas. Adj.)

Feb.	1989	5.1
Jan.	1989	5.4
Feb.	1988	5.7

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Feb.	1989	126.6
Jan.	1989	126.5
Dec.	1988	125.7
Nov.	1988	125.4
Oct.	1988	124.6

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Jan.	1989	$10.73
Dec.	1988	$10.71
Jan.	1988	$10.70

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Jan.	1989	39.7
Dec.	1988	40.2
Jan.	1988	39.7

CONSUMER PRICE INDEX (CPI)
1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1988	115.9
Yearly change	3.6%
Annual Average 1988	114.7
Yearly change	3.4%

United States

Feb. 1989	121.6
Yearly change	4.8%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

EMPLOYMENT IN OREGON -- THE NEW DIVERSITY

Graham Slater

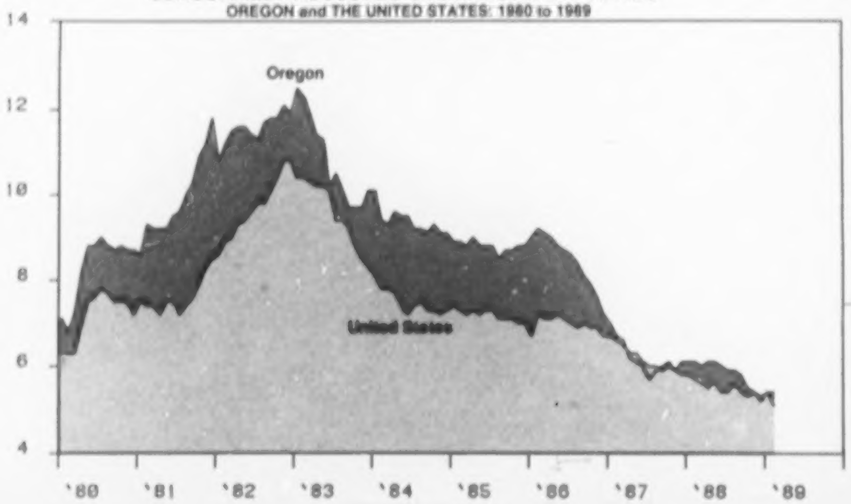
A quick glance at the February employment statistics for Oregon indicates that the state's economic growth has slowed considerably, perhaps even heralding the start of the much-predicted economic slowdown. Fortunately, a quick glance is misleading. The apparent sluggishness was more a result of labor disputes and, to a lesser extent, weather conditions, than to any long-term economic trends.

Oregon's seasonally adjusted unemployment rate remained unchanged between January and February at 5.4%. To be truthful, though, it should be noted that the January rate underwent a substantial upward revision from its preliminary level of 5.1%, due to the completion of annual benchmark revisions and the implementation of a new unemployment estimating methodology (described in the January 1989 **Oregon Labor Trends**). In terms of the actual number unemployed, February's 89,300 was the lowest number in February since 1978.

Nonagricultural wage & salary employment, based on a monthly sample of Oregon employers, recorded a slow month compared with the rapid growth throughout most of 1988. In fact, after adjusting for normal seasonal trends, employment recorded the smallest month-to-month gain since last April.

The biggest single factor undoubtedly was the onset of a huge labor dispute at Roseburg Forest Products Co. More than 3,000 workers are currently on strike (at the time of writing this article), with the vast majority in Douglas County. February lumber & wood products employment dropped by 3,700 at a time of year when no change is expected. Brighter news came in paper & allied products where a seven-month labor dispute ended, returning industry employment to normal levels close to 9,000.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

Elsewhere in manufacturing, February was a good month. In fact, if all labor dispute activity were excluded, manufacturing employment would have grown by close to 1,000. Machinery employment was up 300, spurred largely by farm & garden machinery and woodworking machinery. Current employment levels in machinery (17,900) and primary metals (10,700) represent the best performance since October 1981 and September 1980 respectively. High-tech employment remained at 31,500, a level not exceeded since February 1986. Finally, food & kindred products added 900 workers; some seasonal and others returning after a maintenance shutdown.

Oregon's severe weather conditions in February brought both good and bad news in terms of employment in the nonmanufacturing sector. (The impact would have been even more notable if the bad weather had come a week later. All employment statistics are based on the "week of the 12th," by which time the worst weather had passed.) Heavy construction appeared to suffer most, dropping 500 jobs. But plumbing and heating firms added employees, reaching 5,800, the highest employment level since April 1980. The normally stable utilities industry also added employees to keep up with weather-related workload; 8,900 employees represent the highest February level since 1982.

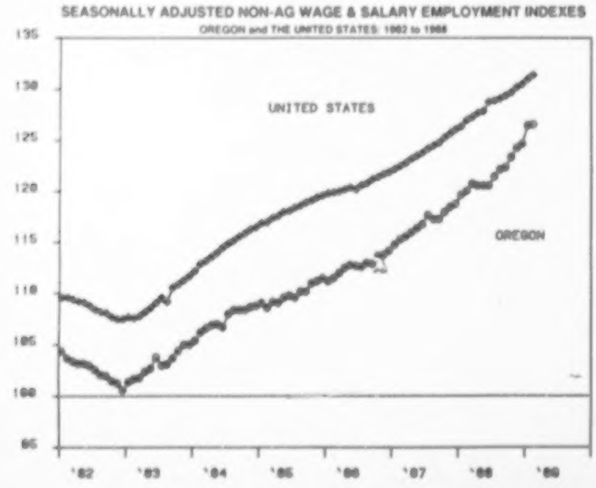
Trade employment dropped 2,100 in February, close to the normal seasonal decrease. Of over twenty industry groups within trade, not one showed more than a 200 deviation from the normal seasonal pattern. Services, on the other hand, had by far the largest employment increase in February. Business services made up for some of its lost ground of last month's 2,600 decrease by gaining 600, with temporary help agencies leading the way. The production of a major movie helped boost employment in motion pictures, and private education recorded an unusually large increase of 2,100. Most of the increase was the counterpoint of the 1,500 drop for the previous month, when several private colleges recorded winter break employment drops.

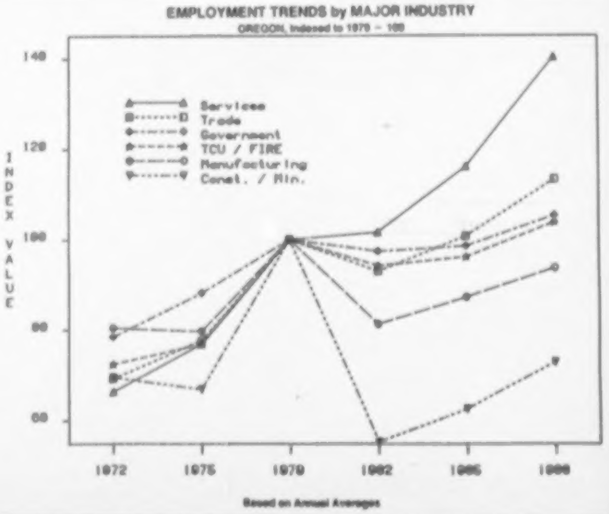
This brief overview of the February statistics provides a one-month insight into a long-term trend in Oregon's economy; namely, a shift away from reliance on just one or two industries towards a more broad-based economy which, at least in February, allowed the overall picture to remain stable in spite of severe losses in lumber & wood products. The remainder of this article will be given over to discussing this trend.

Think back to 1982. In the middle of severe recession, one word crept more and more into the Oregon vocabulary: diversification. Most everyone agreed that the only way for Oregon to move solidly into the future was to cease depending on lumber & wood and food & kindred products to provide a ticket to prosperity. (It is worth noting in passing that diversification is not universally hailed as a cure-all. An article in the September 1987 edition of **Oregon Labor Trends** was devoted to this issue.)

What does diversification mean, as it relates to Oregon's economy? Well, it certainly cannot mean that all industries be represented equally in terms of employment, payroll, or any other measure. A commonsense review of natural (availability of raw products, climate) and geographical (proximity to major markets) factors demonstrates that Oregon will continue to rely heavily on these "traditional" backbones of its economy. Diversification, though, means that Oregon should try to complement them by encouraging an additional broad range of different job sources to locate and grow in the state. Without stretching the imagination too far, there are two types of diversification which have taken place in Oregon:

1. Involuntary Diversification: This was not sought after, but occurred naturally. Part of the reason has been the incredible rate of growth in service-related industries which spread Oregon's employees over a broader spectrum of jobs than was true historically. A second reason has been the long-term drop in employment in wood products, food products, and construction which has led to a relatively more balanced economy. (No one is arguing, however, that declining employment in these important industries is a price worth paying for an apparently more diverse economy.) The two pie charts entitled "Oregon Employment by Major Industry" show clearly how manufacturing industries employed almost one in four Oregonians in 1972, but currently provide jobs for less than one in five. Over the same time period, the employment share for trade and services has grown from 38.8% to 47.9% - almost every other job is currently a trade or services job. A further illustration of this concept can be found in the "Employment Trends by Major Industry" graph. Here, employment in each industry is portrayed as an index with





RESIDENT OREGON LABOR FORCE

	FEB.[1] 1989	JAN.[2] 1989	CHANGE	%CHANGE	FEB.[5] 1988
CIVILIAN LABOR FORCE[3]	1,435,700	1,422,800	12,900	0.9	1,383,500
UNEMPLOYMENT	89,300	89,900	-600	-0.7	96,100
PERCENT OF LABOR FORCE	6.2	6.3	XXX	XXX	6.9
SEASONALLY ADJUSTED PERCENT	5.4	5.4	XXX	XXX	6.1
TOTAL EMPLOYMENT[4]	1,346,400	1,332,900	13,500	1.0	1,287,400

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[1] Preliminary.

[2] Revised.

[3] Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.

[4] Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.

[5] Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	FEB.[1] 1989	JAN.[2] 1989	FEB. 1988	CHANGE FROM JAN. 1989	CHANGE FROM FEB. 1988
TOTAL[3]	1,160,300	1,157,600	1,113,200	2,700	47,100
WAGE & SALARY EMPLOYMENT INDEX[4]	126.6	126.5	121.4	XXX	XXX
TOTAL MANUFACTURING	207,400	209,000	208,000	-1,600	-600
DURABLE GOODS	151,700	154,800	153,100	-3,100	-1,400
LUMBER & WOOD PRODUCTS	63,500	67,200	68,100	-3,700	-4,600
LOGGING & SAWMILLS	32,600	33,800	34,800	-1,200	-2,200
VENEER & PLYWOOD	14,600	16,700	17,700	-2,100	-3,100
MILLWORK & STRUCTURAL WOOD	10,500	10,600	9,900	-100	600
MOBILE HOMES	1,800	1,800	1,400	0	400
OTHER WOOD PRODUCTS	4,000	4,300	4,300	-300	-300
FURNITURE AND FIXTURES	2,600	2,500	2,600	100	0
STONE, CLAY, GLASS & CONCRETE	4,000	4,100	3,600	-100	400
PRIMARY METALS	10,700	10,600	9,900	100	800
BLAST FURNACES, IRON & STEEL	6,400	6,300	5,800	100	600
NONFERROUS METALS	4,300	4,300	4,100	0	200
FABRICATED METALS	11,600	11,600	10,200	0	1,400
FABRICATED STRUCTURAL METALS	5,100	5,200	4,200	-100	900
OTHER FABRICATED METALS	6,500	6,400	6,000	100	500
MACHINERY	17,900	17,600	16,900	300	1,000
ELECTRICAL EQUIPMENT & SUPPLIES	16,100	16,300	14,500	-200	1,600
TRANSPORTATION EQUIPMENT	10,300	10,100	11,400	200	-1,100
INSTRUMENTS & RELATED PRODUCTS	11,400	11,400	12,300	0	-900
MISCELLANEOUS MANUFACTURING	3,600	3,400	3,600	200	0
NONDURABLE GOODS	55,700	54,200	54,900	1,500	800
FOOD & KINDRED PRODUCTS	21,000	20,100	21,000	900	0
CANNING & PRESERVING	9,900	8,900	10,400	1,000	-500
OTHER FOOD PRODUCTS	11,100	11,200	10,600	-100	500
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	-100
APPAREL	2,700	2,700	2,600	0	100
PAPER & ALLIED PRODUCTS	8,900	8,400	9,000	500	-100
PRINTING & PUBLISHING	13,600	13,500	13,300	100	300
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,100	0	200
PETROLEUM REFINING	400	500	500	-100	-100
RUBBER & PLASTIC PRODUCTS	4,700	4,600	4,200	100	500
LEATHER PRODUCTS	400	400	400	0	0
TOTAL NONMANUFACTURING	952,900	948,600	905,200	4,300	47,700
MINING & QUARRYING	1,200	1,200	1,300	0	-100
CONSTRUCTION	36,400	37,400	33,400	-1,000	3,000
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	61,900	61,500	58,700	400	3,200
TRANSPORTATION	40,300	40,100	37,500	200	2,800
RAILROAD	3,800	3,800	3,800	0	0
TRUCKING & WAREHOUSING	22,300	22,200	21,400	100	900
OTHER TRANSPORTATION	14,200	14,100	12,300	100	1,900
COMMUNICATIONS	12,700	12,700	12,500	0	200
UTILITIES	8,900	8,700	8,700	200	200
TRADE	294,000	296,100	275,700	-2,100	18,300
WHOLESALE TRADE	75,000	75,200	68,800	-200	6,200
DURABLE GOODS	43,900	43,900	40,200	0	3,700
NONDURABLE GOODS	31,100	31,300	28,600	-200	2,500
RETAIL TRADE	219,000	220,900	206,900	-1,900	12,100
GENERAL MERCHANDISE	28,600	29,800	27,100	-1,200	1,500
FOOD STORES	37,800	38,000	34,100	-200	3,700
AUTO DEALERS & SERVICE STATIONS	27,100	27,000	26,400	100	700
OTHER RETAIL TRADE	125,500	126,100	119,300	-600	6,200
FINANCE, INSURANCE, & REAL ESTATE	74,300	74,100	71,900	200	2,400
BANKING & CREDIT AGENCIES	23,600	23,600	23,500	0	100
OTHER FINANCE, INSURANCE, & REAL ESTATE	50,700	50,500	48,400	200	2,300
SERVICES	267,300	263,400	251,800	3,900	15,500
HOTELS & PERSONAL SERVICES	26,900	26,500	26,400	400	500
HEALTH SERVICES	80,500	80,200	75,400	300	5,100
OTHER SERVICES	159,900	156,700	150,000	3,200	9,900
GOVERNMENT	217,800	214,900	212,400	2,900	5,400
FEDERAL GOVERNMENT	30,900	31,400	29,500	-500	1,400
STATE GOVERNMENT	60,400	59,000	58,900	1,400	1,500
EDUCATION	25,600	24,500	25,500	1,100	100
OTHER STATE	34,800	34,500	33,400	300	1,400
LOCAL GOVERNMENT	126,500	124,500	124,000	2,000	2,500
EDUCATION	81,400	79,600	80,300	1,800	1,100
OTHER LOCAL	45,100	44,900	43,700	200	1,400
LABOR – MANAGEMENT DISPUTES	3,800	1,200	100	2,600	3,700

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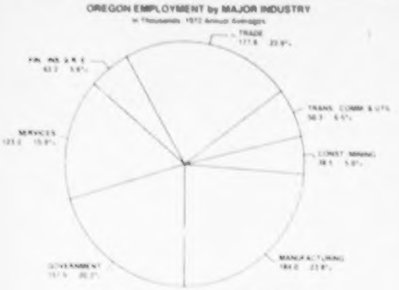
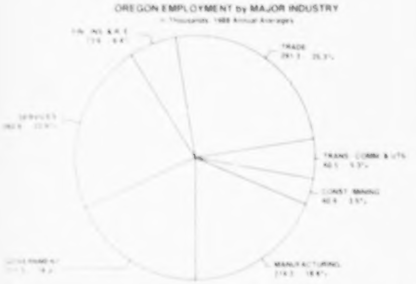
[1] Preliminary.

[2] Revised.

[3] Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

[4] Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).





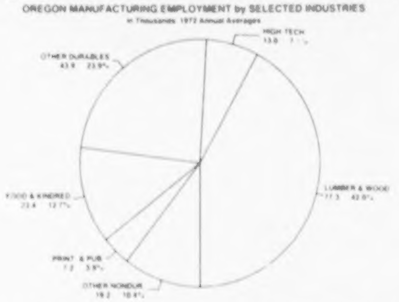
1979 = 100. Whereas manufacturing and construction remain substantially below the 1979 level, services, trade, government, and the transportation, communications, utilities/finance, insurance, real estate combination have all added jobs in excess of the previous (1979) peak level.

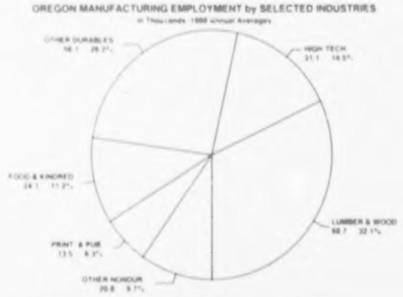
. . . there are no magic industries which are exempt from downturns at some point in their own business cycle.

2. Voluntary Diversification: Here we turn to the deliberate attempts made to attract and encourage different industries to Oregon. The discussion relates largely to manufacturing industries (which are frequently considered to be "basic" to an area's economic health). This diversification has been encouraged by most economists and economic development advocates, with an excellent example being the push to attract high-tech companies. In 1972, high-tech companies employed 13,000 Oregonians. Steady growth led to employment levels of 33,300 in 1980 and a peak of 33,700 in 1984 before the industry hit its own downturn, bottoming out at 30,000 in 1987. Currently, there appears to be something of a rebound with employment around 31,000. (Oregon planners learned a lesson from this experience too: there are no magic industries which are exempt from downturns at some point in their own business cycle.)

To understand the changes in manufacturing, look at the pie charts entitled "Oregon Manufacturing Employment by Selected Industries." In 1972, lumber & wood products and food & kindred products accounted for about 55% of all manufacturing jobs; by 1988 that percentage had dropped to about 43%. High-tech industries combined to make up only 7.1% of the manufacturing sector in 1972, rose to almost 18% in 1982, and have since dropped back to 14.5% in 1988. Printing and publishing is displayed, representing the growth of nondurables manufacturing, having added more jobs than any other industry in the nondurable goods sector.

All this shifting around within manufacturing translates into a much more evenly-distributed employment picture. Lumber & wood still dominates, but by a far smaller margin.





Now, the distinction between voluntary and involuntary diversification is nowhere near as clear or obvious as the above might suggest. Even within manufacturing, both types of diversification have been at work. (How much effort was put into attracting printing & publishing firms? Probably none; this is simply a growing industry.) More important than the type of diversification is the fact that many areas of manufacturing are indeed growing. It is a common fallacy to assume that any redistribution of employment within the sector is only due to the declining employment level in lumber and wood products. To illustrate that this is not so, I divided Oregon manufacturing industries into four groups, based on their percent share of the sector's employment in 1972. Group 1 contains industries whose employment made up less than 1% of total manufacturing in 1972; Group 2's industries each accounted for between 1 and 3%; Group 3 had 3 to 10%; and Group 4 included those industries with a greater than 10% share. The industries in each group are as follows:

GROUP 1

Petroleum Refining
Rubber & Plastic Products
Leather Products

GROUP 2

Furniture & Fixtures
Stone, Clay, Glass & Concrete Products
Electrical Equipment & Supplies
Miscellaneous Manufacturing
Textile Mill Products
Apparel
Chemicals & Allied Products

GROUP 3

Primary Metals
Fabricated Metals
Machinery
Transportation Equipment
Instruments & Related Products
Paper & Allied Products
Printing & Publishing

GROUP 4

Lumber & Wood Products
Food & Kindred Products

The two graphs entitled "Oregon Employment Trend for Various Sizes of Industry" track these groups from 1972 through 1988. Each industry remains in the group it started in, so that we can track the performance of industries that started small and have grown throughout the time period under study.

While Oregon has been quite successful in broadening its manufacturing base over the past sixteen years, this success has not been shared in all areas of the state.

The first graph, showing the actual employment levels for each group, points out several things. First, the two industries in Group 4 continue to provide more jobs than any of the other groups; there is no doubt that both lumber & wood products and food & kindred products remain crucial to Oregon's economic well-being. Second, and here lies the real point of this article, employment in each of the three smaller groups has grown since 1972, while

Group 1 has declined. In fact, this growth among smaller industries has been widespread as shown in the accompanying table.

Comparing the current situation with 1979 rather than 1972, growth has been less widespread, but Groups 1 and 2 have actually added employees over the past ten years, even though manufacturing employment as a whole remains more than 6% below the 1979 level. The second graph, which indexes employment in these groups to the 1979 = 100 level, shows this clearly.

One question which might occur to readers is how the situation in Oregon compares with that nationwide. In fact, it is rather difficult to compare the two because the U.S. has never had the kind of "one industry dominance" which is the norm in Oregon. Referring back to earlier statements about natural and geographic factors affecting an area's manufacturing base, it is clear that the vastness and great differences to be found across the U.S. tend to create an unavoidable diversity of industry. Some areas are strong in metals, others in automobiles, and others in lumber. But when statistics for the Nation are computed, U.S. manufacturing employment presents a substantially more "balanced" picture than that in Oregon.

> ***. . . the manufacturing sector now provides 6% fewer jobs than it did in 1979.***

Finally, let's look at the five manufacturing industries which have grown during the past ten years (using the 1979 employment peak as the starting point). Remember throughout this discussion that the manufacturing sector now provides 6% fewer jobs than it did in 1979.

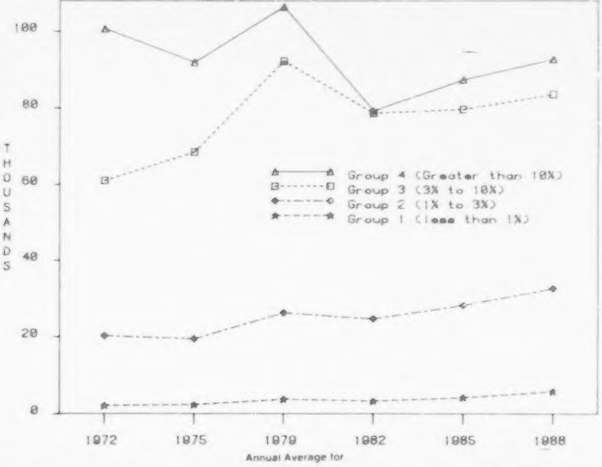
EMPLOYMENT SUMMARY FOR THE FOUR GROUPS

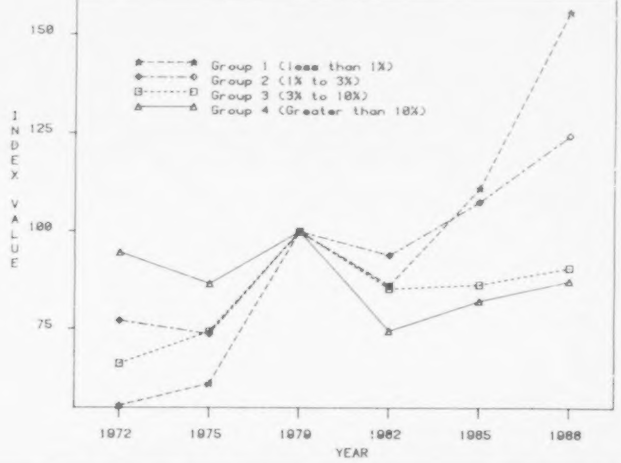
Group Number	Number of Industries In 1972	Number with Employment Above 1972	Number with Employment Above 1979
1	3	3	2
2	7	4	2
3	7	6	1
4	2	1	0

- Electrical Equipment & Supplies rebounded to an all-time high 15,300 in 1988, following three years of relative stagnation. The industry is dominated in Oregon by production of semiconductors, electronic components, and radio & TV communication equipment.
- Miscellaneous Manufacturing has recorded an employment surge in the past two years. The 1986 annual average of 2,500 grew to 3,200 in 1987, and 3,800 last year. Major components here include games & toys, sporting & athletic goods, and signs & advertising displays.
- Printing & Publishing divides itself conveniently into two segments. Newspaper employment has hovered close to 5,000 for the past twelve years. But other printing has grown by an average of 400 jobs every year for ten years. A huge increase in commercial printing as well as growth in the publication of periodicals has spurred the increases.
- Rubber & Plastics is a relatively small industry with 4,500 employees in 1988. However, the long-term growth rate (12% per year over the past six years) has been outstanding. Rubber employment accounts for less than one-tenth of the industry's jobs. Most jobs, and all the growth, come in plastics.
- Leather Products is the smallest industry on this "worth mentioning" list, with just 500 employees in 1988. However, employment has never been higher, and expectations are that Oregon's small footwear, luggage, purses, and glove/mittens production will continue to perform well.

In conclusion, there are several important points to be made.

1. No one is suggesting that Oregon could, or should, set totally-balanced or equally-shared employment as any kind of an economic development goal. There are too many other factors to be considered.
2. However, an economy which relies on a fairly broad base of manufacturing industries will be less sensitive to economic downturns than one which depends on just a couple of potentially volatile industries - an extension of the "eggs in one basket" philosophy.


OREGON EMPLOYMENT TREND for VARIOUS SIZES of INDUSTRY
Based on Percent of Manufacturing in 1972


OREGON EMPLOYMENT TREND for VARIOUS SIZES of INDUSTRY
Indexed to 1979 = 100

3. While the evidence is that Oregon has been quite successful in broadening its manufacturing base over the past sixteen years, this success has not been shared in all areas of the state. Many of the new industries (particularly in high-tech) have congregated in the Portland area, leaving some of the more rural areas as heavily dependent on traditional jobs as they were years ago.

4. While diversification has beneficial repercussions in terms of smoothing out economic cycles, there are potential negatives in terms of earnings. This is particularly true in Oregon where wages in lumber & wood products have traditionally been very good, and certainly higher than the average earnings in some of the newer growing industries. (This aspect of the argument will be explored fully in a subsequent issue of **Oregon Labor Trends**.)

5. Any movement away from traditional industries has inevitable and difficult consequences for local residents who suddenly find that their job skills do not easily transfer from, say, a lumber mill to a commercial printer. Therefore, diversification brings with it the need for retraining and education in vocational areas quite different from those which have historically been most important to a region.

Finally, returning to the broader picture of employment in Oregon (both manufacturing and nonmanufacturing) it seems that economic development efforts should continue to concentrate on two parallel paths. First, we must assist and encourage existing industries to survive, grow, and make the changes necessary to compete effectively in coming years. Second, we should look for a variety of new and "desirable" industries, there's a tough one to define, in both the goods, and service-producing sectors to broaden the state's economic base. (Keep reading this edition of **Oregon Labor Trends**. A later article makes it clear that not all service industry jobs are at the low end of the pay scale.) And third, we must provide education and training so that Oregonians are able to make the transition from one industry to another with a minimum of upheaval. ☐

In addition to readers on our regular mailing list, this edition of **Oregon Labor Trends** is being sent to all participants in the Employment Division's monthly survey of Oregon employers. Without them, the high standards of employment information available in this State could not be maintained. We thank them for their consistent efforts.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Jan.[2] 1989	Dec.[3] 1988	Jan. 1988	Jan.[2] 1989	Dec.[3] 1988	Jan. 1988	Jan.[2] 1989	Dec.[3] 1988	Jan. 1988
TOTAL MANUFACTURING[4]	$425.98	$430.54	$424.79	39.7	40.2	39.7	$10.73	$10.71	$10.70
Durable Goods	433.23	435.92	431.88	40.3	40.4	40.4	10.75	10.79	10.69
Lumber & Wood Products	441.72	437.40	432.12	40.9	39.8	39.9	10.80	10.99	10.83
Logging & Sawmills	463.32	469.62	461.38	40.5	39.2	39.3	11.44	11.98	11.74
Veneer & Plywood	471.54	436.40	427.68	43.3	40.9	40.5	10.89	10.67	10.56
Millwork & Structural	348.38	356.09	368.38	39.1	40.1	42.1	8.91	8.88	8.75
Mobile Homes	308.60	338.37	272.24	35.8	39.3	32.8	8.62	8.61	8.30
Other Wood Products	447.91	428.16	421.61	41.9	40.7	40.5	10.69	10.52	10.41
Furniture & Fixtures	304.79	292.66	292.59	35.9	36.4	35.9	8.49	8.04	8.15
Primary Metals	503.27	513.51	506.51	41.8	42.9	42.6	12.04	11.97	11.89
Fabricated Metals	379.23	380.05	377.85	38.5	38.9	39.4	9.85	9.77	9.59
Machinery (Ex Electrical)	437.86	452.51	449.44	39.2	41.1	40.6	11.17	11.01	11.07
Nondurable Goods	405.00	413.96	404.84	38.1	39.5	37.8	10.63	10.48	10.71
Food & Kindred Products	333.42	340.49	323.44	36.4	38.3	35.7	9.16	8.89	9.06
Canning & Preserving	283.82	294.12	272.00	35.7	38.0	34.0	7.95	7.74	8.00
Other Food Products	385.02	396.04	383.90	37.2	38.6	37.6	10.35	10.26	10.21
Textile Mill Products	251.34	266.38	232.71	35.5	37.1	35.1	7.08	7.18	6.63
Apparel	244.20	244.10	225.95	37.0	38.2	36.8	6.60	6.39	6.14
Paper & Allied Products	649.74	677.94	642.64	44.2	45.9	42.7	14.70	14.77	15.05
Printing & Publishing	421.03	438.37	430.78	35.5	36.9	36.6	11.86	11.88	11.77
Construction[4]	486.11	509.43	459.25	34.5	35.8	33.4	14.09	14.23	13.75
Communications & Utilities[5]	532.11	530.35	545.99	40.0	40.3	41.3	13.01	13.16	13.22
Trade[5]	310.38	308.36	294.74	33.7	34.3	33.8	9.21	8.99	8.72
Wholesale Trade	417.36	411.43	405.68	37.6	37.2	38.2	11.10	11.06	10.62
Retail Trade	255.82	258.92	240.16	31.7	32.9	31.6	8.07	7.87	7.60
Banking & Insurance[5]	364.24	341.09	341.38	38.1	37.4	38.4	9.56	9.12	8.89
State & Local Government	382.09	380.31	370.48						

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[1] Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

[2] Preliminary

[3] Revised

[4] Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

[5] Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

OPPS TELLS WHERE THE JOBS ARE

Nancy Hargis

In Oregon, the answers to these questions are provided through the information, publications, and services of the Occupational Program Planning System (OPPS). A "one-stop" source of occupational demand and supply information, OPPS is designed to assist high schools, community colleges, job training programs, state human resource agencies and economic development organizations to plan in relation to projected labor needs. This centralized data base reduces unnecessary duplication of effort among agencies, stimulates interagency cooperation, and provides valid and reliable data to support decisions.

OPPS is housed in the Research and Statistics Section of the Employment Division. The Oregon Occupational Information Coordinating Committee guides OPPS and establishes operational policies for the program.

What information is available from OPPS?

OPPS state and local labor market information publications, technical materials, and a microcomputer system, Micro-OIS, describe the outlook for Oregon occupations and training programs. The basic core of OPPS information includes projected employment and openings over eight years, an estimate of the unemployed by occupation, completers of education and training programs, and the seasonality of demand and supply over a two-year period. Characteristics information - wage and salary data, working conditions, Employment Division job applicants and openings, and industry of employment - supplements the demand and supply data.

OPPS is an important resource to state and local agencies for many purposes. Among the most significant are:

- Long-range vocational, education, and job training program planning
- Program development, operation, and improvement
- Economic development planning and business recruitment
- Administration and evaluation of human resource agency programs
- Data base for special reports

The article on "The Myth of Low-Paying Jobs" in this month's issue of **Oregon Labor Trends** is a product of OPPS staff research and analysis. For further information about OPPS, contact David Allen at (503) 378-6400 or toll free 1 (800) 237-3710 ext 8-6400.

THE MYTH OF LOW-PAYING JOBS

David Allen

(Editor's note: David Allen is Coordinator of the Occupational Program Planning System (OPPS) - Oregon Employment Division. For an overview of this occupational data base system see the OPPS article in this month's issue of **Oregon Labor Trends**).

Oregon's general economic condition and the many trials and tribulations that have occurred during the 1980-82 recession and subsequent recovery are now widely known. Examples include:

- The shift from goods-producing to service-producing employment.
- The restructuring and down-sizing of large firms and the new job creation power of small firms.
- Changing the work environment so that there are fewer work rules and more generalized job descriptions.
- The need for more multi-skilled and higher-skilled workers.
- The dislocations of thousands of Oregon's traditional workforce and the need to continually retrain the existing workforce.
- The fact that most new entrants into the labor force in the 1990's will be women and minorities.

All of these trends have gained considerable publicity. What is less well known and often misunderstood, is the effect of Oregon's economic transition on the quality of the new jobs being created. A common complaint is that Oregon has lost many high-paying jobs but has gained back mostly low-paying jobs. From this point of view, we need to create a lot more good "family wage" jobs if Oregon is to truly have economic recovery. While there is an element of truth to this contention, the available historical occupational data does not support this low-wage jobs theory. In fact, most of the new jobs created in Oregon since 1982 have been higher-paying jobs in professional/technical occupations. So how did the myth of low-paying jobs get started?

> ***. . . most of the new jobs created in Oregon since 1982 have been higher-paying jobs in professional/technical occupations.***

There are three main reasons for the low-paying jobs myth. First, confusion exists between the two ways in which groups of workers are categorized; industrial classifications of firm employment or occupational classifications of employees. Often industry employment numbers are mistakenly used to refer to occupational employment, ie. *service industries* used in place of, or equated to, *service occupations*. In fact, all kinds of occupations are found in service industries, including a considerable number of professional/technical jobs. However, in looking at the rapid growth that has occurred in service industries, it is often illogically assumed that the job growth has only been in low-paying "service jobs". Also, it does not logically follow that job losses in high-paying industries are job losses in higher-paying occupations. Secondly, many jobs in trade and service industries are highly visible, like fast food workers and sales clerks, while higher-paid jobs like computer programmers and accountants are often unseen.

The third reason for the myth is that analyses often compare 1979 earned income, adjusted for inflation, with a more recent year like 1987 and conclude from the comparison that Oregon has lost real earning power. While this loss is real, it does not follow that Oregon's new jobs are to blame. In fact, as will be shown, since 1982 the new jobs have actually helped raise earned income.

This article will explore the myth of low-paying jobs and point out that it is the quality of the workforce, not the quality of the new jobs, that is potentially the greatest obstacle to the Oregon comeback.

THE SHIFTING OCCUPATIONAL SKILL MIX

The specific occupational growth and decline tables (see Tables 1 & 2) provide a variety of insights into occupational skill shifts that have occurred. The increased use of computers provided additional jobs for computer programmers, systems analysts, and computer operators. However, the increasing use of computers also contributed to the job losses of bookkeeping/billing machine operators, drafters, machine tool operators (combination), and directory assistance operators. The rapid increase of people eating out did not necessarily mean more jobs for all workers in the eating and drinking industry. Restaurant cooks and fast food workers experienced rapid growth while short order cooks and waiter/waitresses declined. Individually, these kinds of occupational/industry shifts are not all towards higher-skilled jobs. The addition of almost 15,000 fast food workers between 1979 and 1986 is a highly visible case in point. Nevertheless, the overall trend has been towards an increasingly higher-skilled workforce. A look at more general occupational data shows this trend.

> ***It is very likely that the Oregon workforce will have to make further painful adjustments as the skills needed by the economy continue to shift towards higher-skilled jobs.***

Dividing Oregon's workforce into eight major occupational groups and comparing the employment in these groups over time provides the best view of the kinds of jobs being created and lost. Table 3 shows employment change between 1979 and 1986, a time in Oregon that includes years of both economic recession and recovery. During this turbulent time, major occupational shifts took place. Sizable job losses occurred in a number of occupational groups including craft workers, operatives, laborers, and perhaps surprisingly, managers & administrators. These job losses reflected the decline of manufacturing and construction employment, as well as the need for employers to cut overhead costs. A total of 75,000 painful job dislocations occurred! Many of these job losses were in occupations that were characterized as being relatively high-pay but low-skilled. Once lost, these kinds of jobs are not likely to return.

It is significant that even service workers lost jobs. This fact is the first

Table 1
OREGON OCCUPATIONAL GROWTH
Selected Occupations 1979-86

	ESTIMATED EMPLOYMENT			New Jobs 1979-86	
	1979	1982	1986	#	%
Fast Food Prep. & Service	6,135	10,534	21,056	14,921	243
Sales Rep./Clerk	61,701	57,846	67,154	5,453	9
Nurse Professional	11,738	15,171	17,150	5,412	46
Stock Clerk, Sales Floor	3,164	3,311	5,719	2,555	81
Shipping and Receiving Clerk	4,202	3,811	6,187	1,985	47
Cook, Restaurant	5,666	4,410	7,270	1,604	28
Systems Analyst	1,426	1,530	2,935	1,509	106
Recreation Worker	786	892	2,073	1,287	164
Computer Programmer	1,674	1,946	2,688	1,014	61
Personnel & Labor Relations Spec.	1,279	2,046	2,154	875	68
Computer Operator	1,346	1,617	2,193	847	63
Refrigeration Mechanic	507	633	1,220	713	141
Credit Clerk (Loan)	949	579	1,579	630	66
Travel Agent	609	688	1,167	558	92
Physicians Assistant	107	294	629	522	488
Medical Record Tech.	343	233	791	448	131
Physical Therapist	586	690	911	325	55
Speech Path. & Audiologist	130	168	391	261	201
Occupational Therapist	117	205	366	249	213
Machine Tool Oper., Num. Cont.	328	403	572	244	74

Table 2
OREGON OCCUPATIONAL DECLINE
Selected Occupations 1979-86

	ESTIMATED EMPLOYMENT			Net Loss 1979-86	
	1979	1982	1986	#	%
Waiter/Waitress	27,803	19,991	18,910	-8,893	-32
Carpenter	9,310	5,361	5,442	-3,868	-42
Cashier	19,559	18,561	16,017	-3,542	-18
Nurse Aide/Orderly	12,744	11,746	10,225	-2,519	-20
Cook Short Order/Specialty	6,731	4,627	4,620	-2,111	-31
Order Filler	4,556	3,828	2,742	-1,814	-40
Plumber/Pipefitter	4,263	2,991	2,452	-1,811	-42
Civil Engineer	2,686	2,340	896	-1,790	-67
Drafter	4,115	2,562	2,487	-1,628	-40
Stenographer	2,233	1,716	680	-1,553	-70
Central Office Operator	1,777	1,072	25	-1,752	-99
Bookkeeping/Billing Mach. Oper.	2,164	1,335	912	-1,252	-58
Brick Layer	1,436	291	204	-1,232	-86
Electrician	5,438	4,226	4,286	-1,152	-21
Machine Tool Oper. Combination	1,350	932	308	-1,042	- 7
Directory Assistant Operator	489	420	3	- 486	-99
Employment Interviewer	935	529	496	- 439	-47
Licensed Practical Nurse	3,746	3,879	3,310	- 436	-12
Electrocardiograph Tech	187	141	87	- 100	-53

CORRECTION

The February 1989 issue of **Oregon Labor Trends** contained an error in the article entitled "1988 JOB GROWTH REVISED UPWARD." Following is a corrected version of the table shown on page 11 of that issue. We regret any inconvenience to our readers.

	1988	1987	Change
Average Hourly Earnings	$ 10.64	$ 10.56	+$0.08
Average Weekly Hours	39.4	39.2	+ 0.2
Average Weekly Earnings	$419.22	$413.95	+$5.27

clue to the nature of the new job growth. The reason that service workers declined is not due to any lack of growth of the service sector. It is the occupational mix of the new jobs being created that made the difference. The service industries of health, education, and business services all have contributed a considerable number of new jobs. However, during the economic transition, non-professional service jobs faced the same kinds of cost cutting and restructuring pressures as the economy as a whole experienced. For example, while the health services industry grew rapidly, the need to cut labor costs contributed to the decline in the number of nurses aides and licensed practical nurses. The need for professional nurses, on the other hand, increased as more work was assigned to higher-skilled workers. In short, as employers cut labor costs and at the same time attempted to increase productivity, more skilled workers were needed.

The skill shift towards professional/technical occupations has been dramatic. From 1979 to 1986 over 57,000 new professional & technical jobs were created. The recovery period from 1982 to 1986 (see Table 4) contributed some 96 percent of this growth. Clearly, the majority of all new jobs since the recession has been in professional/technical fields. By 1986, 20 percent of all nonfarm wage and salary jobs were in professional & technical occupations.

Of course, not all employment growth has been among higher-skilled workers. As the trade industries grew during the recovery, the number of sales workers also exploded. Almost 22,000 additional sales jobs were added between 1982 and 1986. Many of these jobs are highly visible as retail stores have mushroomed throughout the state. Based upon this kind of data, Oregon is creating many low-skilled, low-paying jobs. However, most people do not realize that many sales workers are employed in industries that pay high wages. In addition, when commissions are added to earned income, sales workers as a whole are not low-paid workers. In fact, national data for full-time employees indicates that annual pay of sales workers is equal to the average pay of all workers.

Table 3
OREGON'S SHIFTING OCCUPATIONAL MIX
Nonfarm Wage and Salary Occupations
1979-86

	1979	% of Total	1986	% of Total	Employment Change 1979-86 #	%
TOTAL	1,055,410	100.0	1,060,141	100.0	4,731	0.4
Managers & Administrators	89,100	8.4	76,842	7.2	-12,258	-13.8
Professional & Technical	154,410	14.6	211,674	20.0	57,264	37.1
Sales Workers	77,530	7.3	95,616	9.0	18,086	23.3
Clerical Workers	210,300	19.9	214,694	20.3	4,394	2.1
Service Workers	167,280	15.8	164,374	15.5	-2,906	-1.7
Craft Workers	129,470	12.3	109,824	10.4	-19,646	-15.2
Operatives (Semiskilled)	150,430	14.3	128,533	12.1	-21,897	-14.6
Laborers	76,890	7.3	58,584	5.5	-18,306	-23.8

Table 4
OREGON'S RECOVERY YEARS SHIFTING OCCUPATIONAL MIX
Nonfarm Wage and Salary Occupations
1982-86

	1982	% of Total	1986	% of Total	Employment Change 1982-86 #	%
TOTAL	966,820	100.0	1,060,141	100.0	93,321	9.7
Managers & Administrators	81,970	8.5	76,842	7.2	-5,128	-6.3
Professional & Technical	156,930	16.2	211,674	20.0	54,744	34.9
Sales Workers	73,750	7.6	95,616	9.0	21,866	29.6
Clerical Workers	203,580	21.1	214,694	20.3	11,114	5.5
Service Workers	159,080	16.5	164,374	15.5	5,294	3.3
Craft Workers	101,790	10.5	109,824	10.4	8,034	7.9
Operatives (Semiskilled)	132,780	13.7	128,533	12.1	-4,247	-3.2
Laborers	56,940	5.9	58,584	5.5	1,644	2.9

HIGH-PAY VS. LOW-PAY JOBS

Given the magnitude of Oregon's economic transition, are workers better off now than they were in 1979? In terms of wage and salary income, the answer is no. Table 5 shows Oregon covered employment and payroll trends between 1979 and 1987. Note that average annual pay increased, but after adjusting for inflation real pay decreased by $123. This decline in real wage income, as well as relative declines in Oregon's per capita and household income compared with the U.S., are the main reasons for the "myth of lower-paying jobs".

Since many workers are in fact economically worse off than before, it is assumed that Oregon traded a lot of high-paying jobs for a lot of low-paying trade and service jobs. Are the new jobs to blame? As we have seen, it is true that many high-paying, relatively low-skilled jobs have been lost. However, most of the new jobs created have been in professional/technical occupations. What really happened in this trade?

Table 6, entitled "Occupational Growth and Earnings 1982-1986", provides the answer to this question. Using

Table 5
OREGON COVERED EMPLOYMENT AND PAYROLL FOR SELECTED YEARS

	1979	1982	1986	1987	Change 1979-87
Employment	1,024,738	932,415	1,033,579	1,075,609	50,871
Average Annual Pay	$ 13,197	$ 16,186	$ 18,311	$ 18,885	$ 5,688
Real Annual Pay *	$ 19,008	$ 18,316	$ 18,768	$ 18,885	$ -123

*Inflation adjusted (1987 $) using CPI-U Portland (1982-84 = 100) the best available data on earnings by major occupational classification, the eight occupational groups fall into three categories, high-paying, average-paying, and low-paying jobs. Between 1982 and 1986, 93,321 new jobs were created, of which 57,650 (62%) were high-paying, 21,866 (23%) were average-paying, and 13,805 (15%) were low-paying. Clearly, most of the new jobs were in the higher-earning bracket. This fact also helps explain why real annual pay in Oregon did in fact increase from $18,316 to $18,885 between 1982 and 1987.

> ***The future economic prosperity of Oregon depends upon creating a quality workforce that will match the occupational skill mix of the new economy.***

During the recovery, Oregon workers have been doing better each year. The problem is that there is still a ways to go. Hopefully, when the 1988 data become available, workers will once again have the earning power that they did in 1979. Perhaps it should be noted that even if it is assumed that all new sales workers in Oregon are paid lower than average wages, there would still have been almost 22,000 more higher-paying versus lower-paying jobs created between 1982 and 1986. Nearly any way you look at it, Oregon's new jobs are not the problem that is holding back economic recovery.

THE FUTURE OUTLOOK

Looking into the future, Oregon's occupational mix can be estimated using historical data and projecting these trends forward. Table 7, entitled "Oregon's Future Trends 1989-94", was derived by applying statistical regression techniques to nine years of previous occupational data. As can be seen, the projections indicate continued growth in professional/technical occupations and significant declines of craft workers, operatives, and laborers. It is very likely that the Oregon workforce will have to make further painful adjustments as the skills needed by the economy continue to shift towards higher-skilled jobs. Well-paying jobs will be available but a skill mismatch exists between the workers who will suffer the thousands of job losses and the skill requirements of new jobs being created. In other words, the major labor force problem facing Oregon is the quality of the workforce, not the quality of the new jobs being created. The future economic prosperity of Oregon depends upon creating a quality workforce that will match the occupational skill mix of the new economy. ☐

Table 6
OCCUPATIONAL GROWTH AND EARNINGS
1982-86

High-Paying Jobs	**Median Yearly Earnings***	**Oregon Jobs Created 1982-86**
Managers & Administrators	$27,560	-5,128
Professional & Technical	$25,973	54,744
Craft Workers	$21,788	8,034
	Total High-Paying Jobs	57,650
Average-Paying Jobs		
Sales Workers	$19,552	21,866
Low-Paying Jobs		
Clerical Workers	$16,016	11,114
Service Workers	$12,168	5,294
Operatives (Semiskilled)	$16,877	-4,247
Laborers	$14,404	1,644
	Total Low-Paying Jobs	13,805
	Net Difference Between High and Low-Paying Jobs	43,845
	Total New Jobs	93,321

*U.S. Full-Time Wage and Salary Workers, 1987 Current Population Survey Household data. Source: **Employment and Earnings**, January 1988. Average of all occupations $19,396. Oregon wage earnings are typically 10-11% below the national average.

Table 7
OREGON'S FUTURE TRENDS
Nonfarm Wage and Salary Occupations
1989-94

	1989	**% of Total**	**1994**	**% of Total**	**Employment Change 1989-94**	
					#	%
TOTAL	1,112,208	100.0	1,199,160	100.0	86,952	7.8
Managers & Administrators	87,555	7.9	90,666	7.6	3,111	3.6
Professional & Technical	232,606	20.9	286,537	23.9	53,931	23.2
Sales Workers	101,981	9.2	119,999	10.0	18,018	17.7
Clerical Workers	231,592	20.8	254,156	21.2	22,564	9.7
Service Workers	173,018	15.6	184,976	15.4	11,958	6.9
Craft Workers	102,703	9.2	95,709	8.0	-6,994	-6.8
Operatives (Semiskilled)	128,859	11.6	120,987	10.1	-7,872	-6.1
Laborers	53,894	4.8	46,130	3.8	-7,764	-14.4

"EDWAA"-RETRAINING FOR DISLOCATED WORKERS

Kimberly Dunn

(Editor's note: Kimberly Dunn is a marketing/communications analyst with the Job Training Partnership Act Administration, Oregon Economic Development Department.)

In the January issue of **Oregon Labor Trends**, I discussed the new WARN (Worker Adjustment and Retraining Notification) Act, which provides for early notice of plant closings or mass layoffs. Last fall Congress also passed "EDWAA", the Economic Dislocation and Worker Adjustment Act, which takes the place of current Dislocated Worker Programs under JTPA. EDWAA provides training and other assistance for workers dislocated by layoffs and closures. This Act also forms a State Dislocated Worker Unit to coordinate services. In Oregon, the Job Training Partnership Act (JTPA) Administration has been named as the Dislocated Worker Unit.

When the Dislocated Worker Unit receives notice of a plant closure or reduction in force, a Rapid Response Team will come together to assist the affected business, community, and workers to find and use the services which are available to them, including those provided under EDWAA. EDWAA states: "The dislocated worker unit ... shall ... establish on-site contact with employer and employee representatives within a short period of time (preferably 48 hours or less) after becoming aware of a current or projected permanent closure or substantial layoff..." (Sec. 314 (b)).

During this on-site contact, the Dislocated Worker Unit will coordinate services available from various sources. Representatives of state and local economic development agencies will discuss available financial help and technical assistance with the business and the community. The Employment Division (discussing Unemployment Insurance and Trade Adjustment Assistance), the Adult and Family Services Division (Food Stamps, etc.), Private Industry Councils (Job Training programs) and others will discuss services and support available to the employees. This three-tiered approach to the business, community, and workers is designed to best use all of the resources available to buffer the stresses of plant closure and layoff.

EDWAA will be administered at the state level by the Job Training Partnership Act Administration. Training and other services will be provided by the local Private Industry Councils (PICs) throughout the state. Depending on the needs of the dislocated workers in a given layoff and the local labor market, a variety of re-training and other services will be available. These can include assistance before the layoff occurs, job training, and placement programs.

Dislocated workers are defined in the Act as eligible for EDWAA services if they:

(A) have been terminated or laid off or have received a notice of termination or layoff from employment, are eligible for or have exhausted their entitlement to unemployment compensation, and are unlikely to return to their previous industry or occupation;

(B) have been terminated or have received a notice of termination of employment as a result of any permanent closure of or any substantial layoff at a plant, facility, or enterprise;

(C) are long-term unemployed and have limited opportunities for employment or reemployment in the same or a similar occupation in the area in which such individuals reside, including older individuals who may have substantial barriers to employment by reason of age;

(D) or were self-employed (including farmers and ranchers) and are unemployed as a result of general economic conditions in the community in which they reside or because of natural disasters, subject to regulations prescribed by the Secretary.

EDWAA provides timely assistance when communities and workers face stressful job losses, whether the loss affects one, ten, or hundreds of workers. The coordinated Rapid Response Team will be on-site within 48 hours of receiving notice of a mass layoff. By providing access to services well before the plant closure or workforce reduction occurs, EDWAA seeks to limit the unemployment of community members. Using effective service partnerships, the Act will ease transitions and support local economic stability in Oregon.

To request further information and copies of the Act, contact:

State Dislocated Worker Office
JTPA Administration
155 Cottage St. N.E.
Salem, Oregon 97310
Phone 373-1995

or contact your local Private Industry Council. □

OOICC AIDS AGENCY AND CAREER DECISIONS

Nancy Hargis

For most Americans, work--or the lack of it- matters. Their lifestyles, as well as their livelihoods, are influenced by their occupation and the employment and income opportunities it offers. Few decisions affect an individual's future more than choosing an occupation and acquiring the education and training needed to enter and succeed in it. To choose wisely, people need sound information about the world of work.

The Oregon Occupational Information Coordinating Committee (OOICC) is a consortium of state and local agencies committed to coordinating the development and delivery of occupational and educational information for the citizens of Oregon. OOICC operates under an interagency agreement among the Employment Division, Department of Education, Vocational Rehabilitation Division, Job Training Partnership Administration and Economic Development Department. These agencies joined together to help ensure that the necessary occupational and educational information is available to assist those concerned with vocational program planning and evaluation, individual career decision-making and economic development.

Preparing people well for the work they seek serves both public and personal interests, if the preparation is solid and suited to labor market needs. Vocational education and job training require substantial human and financial resources--resources too precious to risk on programs that do not offer sound preparation for the future. In making judgments about which programs to offer and what the curriculum should include, educational planners and job training officials need relevant and timely occupational information.

Helping people make career-related decisions calls for special counseling and career guidance skills. Counselors working in schools, community colleges, job training programs, vocational rehabilitation agencies, and other settings are in a position to assist people at various stages of career exploration or decision-making. To help their clients make better informed choices, they also need comprehensive occupational information.

To attract new industries or to anticipate shifts in the labor market, state and local planners need data on current and projected employment, the supply of skilled workers, and sources of training available in their state or local area. Increasingly, occupational information is being used to support economic development initiatives and human resources planning in both the public and private sectors.

One of OOICC's most important roles is to provide policy guidance for the Occupational Program Planning System (OPPS), Oregon's central data base for occupational demand/supply information. OOICC and OPPS staff work together to give training and technical assistance to public and private groups on the analysis and use of labor market information for program planning, administration and evaluation.

OOICC and OPPS also collaborate on the annual publication of the **Oregon Careers** newspaper. This tabloid is distributed to over 125,000 youth and adults each year to help them better understand the state's labor markets, stimulate in-depth career exploration, and learn of available resources and programs to assist career decision-making.

Sensible decisions, whether they affect one life or many, often depend on ready access to relevant and timely information about the labor market. Helping people get the occupational information they need is what OOICC is about. For further information about OOICC, contact Nancy Hargis at 503-378-8146. □

EMPLOYERS' CORNER - IT'S YOUR TAX DOLLARS

Dorothy Monnier

A concerted year-long effort by the Oregon Employment Division and the Job Service Employers' Committee (JSEC) paid off in February during the annual Employers' National Job Service Committee Convention held in Arlington, Virginia. Barbara Sharp, Oregon JSEC Chairperson and President of Sharp Management Services, a Tigard consulting firm, delivered a well-received presentation on the Federal Unemployment Tax Act (FUTA) funding problem to an audience of 200. Participants were attending the National JSEC Convention which was scheduled to coincide with Congressional budget talks.

During the conference, Oregon employers met with the State's U. S. Congressmen to gain their support on the FUTA issue. Oregon's Congressional delegation expressed serious concern over the gap between available federal resources and the amount needed to provide status quo services for the Employment Division in Oregon - approximately $20.6 million or 20% of the total projected agency budgetary need for the 89-91 biennium. In Oregon, reductions to accommodate such a shortfall would entail major program eliminations and staff reductions as well as some office closures.

For several years the federal government has been steadily reducing the resources it allocates to support the state employment security system nationwide. It has become increasingly more difficult for Oregon to provide necessary employment services in light of the most recent federal shortfall.

The impact of the federal funding cutback will be felt by employers, unemployed and underemployed job applicants, and specialized groups, i.e. at-risk youth, ex-offenders, minorities, handicapped, and older workers who benefit from the Division's employment services.

This has occurred even though the funding source of these activities is dedicated trust funds, consisting of employer tax money collected by the IRS pursuant to the Federal Unemployment Tax Act (FUTA). By law, these monies can be spent for no purpose other than administration of the employment security system nationwide, to pay the federal government's share of extended benefit payments, and to provide a loan fund for states whose unemployment insurance reserves have been exhausted. These FUTA funds are solvent; so solvent that the caps which establish the maximum amount the funds are allowed to contain were recently increased by Congress in order to provide additional room for the increasing reserves. However, since these trust funds are included as part of the Unified Federal Budget, the large surplus held "masks" the size of the federal deficit, thereby acting as a continuing disincentive for the government to release adequate funding to the states. These paper offsets contribute nothing to the reduction of the actual federal deficit, and at the same time deny Employment Security Agencies money to maintain minimum services.

Following Sharp's presentation, increased interest was voiced by 27 other states to unite with Oregon in the campaign to secure the attention of Congress, the media, and other interest groups in resolving this major funding issue.

Sharp encouraged employers nationwide to pursue a solution. Jo Powell, JSEC board member and vice president of Freedom Federal Savings & Loan in Corvallis, urged employers to make their top priority in 1989-90 the development of a plan to insure adequate monies to fund the Employment Security System nationwide by releasing FUTA dollars.

W. E. Hunter, Administrator of the Oregon Employment Division, is committed to resolving the FUTA funding issue at the federal level. Additionally, he encourages Oregonians concerned with the economic health of this state to become knowledgeable about this complex federal funding issue and its adverse effect on Oregon and then contact Oregon's U. S. Congressional Delegation. Governor Goldschmidt has been actively seeking support in his discussions with Secretary of Labor Elizabeth Dole.

The ultimate solution rests with Congress: to release adequate FUTA monies and to remove FUTA from the Federal Unified Budget.

For further information about the Oregon Employment Division or the Job Service Employers' Committee efforts, contact Sylvia Rose at 378-3216, or write to the Employment Division, 875 Union St., N.E., Salem, OR 97311. ☐

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OREGON LABOR TRENDS

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INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Mar.	1989	5.6
Feb.	1989	5.4
Mar.	1988	6.0

United States (Seas. Adj.)

Mar.	1989	5.0
Feb.	1989	5.1
Mar.	1988	5.6

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Mar.	1989	126.9
Feb.	1989	126.4
Jan.	1989	126.5
Dec.	1988	125.7
Nov.	1988	125.4

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Feb.	1989	$10.73
Jan.	1989	$10.77
Feb.	1988	$10.72

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Feb.	1989	38.2
Jan.	1989	38.6
Feb.	1988	39.8

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1988	115.9
Yearly change	3.6%
Annual Average 1988	114.7
Yearly change	3.4%

United States

Mar. 1989	122.3
Yearly change	5.0%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

ECONOMIC EXPANSION CONTINUES

by David Cooke

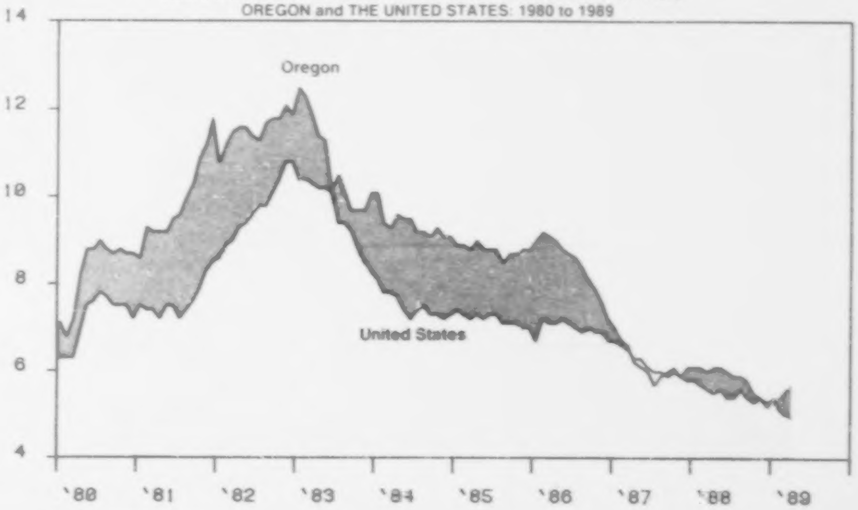
Oregon's economy is still expanding despite a slight rise in the unemployment rate. Oregon's seasonally adjusted unemployment rate rose to 5.6% in March, up 0.2 from the February figure. The Oregon rate has gradually risen in the last four months as follows: 5.2%, 5.4%, 5.4%, 5.6%. Looking only at the recent rise in the unemployment rate, however, is to be short-sighted. The current level of the rate is perhaps more significant. A rate of 5.6% is a sign of a healthy economy, and one which falls into the upper range of what many economists consider to be full employment. What's more, the March rate is still below the 1988 annual average of 5.8%. In fact, outside of the most recent six months, this is the lowest seasonally adjusted rate in sixteen years.

Wage & Salary Employment Index

With the unemployment rate on the rise, what indicator shows the expansion of Oregon's economy? An economic indicator which strongly suggests continued economic expansion is the wage & salary employment index. This employment index, a seasonally adjusted measure of the number of nonfarm jobs in the state, rose to 126.9 in March, up 0.5 from the February figure. This index means that after adjusting for typical seasonal variations (as an example, March's employment is typically 1.5% less than the annual average) Oregon's nonagricultural wage & salary employment is 26.9% above the base year 1977.

Since January 1988, the wage & salary employment index has averaged an increase of nearly 0.5 per month. Although the growth has been fairly steady over this period, the index did decline by 0.1 last month, which might be cause for concern. Before February's decline, the index hadn't shown any month-to-month drop in 37 months. However, the index has averaged a 0.4 per month increase in the last three months and a 0.5 per month increase in the last six months. Based on this indicator, then, Oregon's economy is continuing to expand in 1989 at almost the same rate as in 1988.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

The wage & salary employment index has several factors going for it which make it one of the most reliable employment indicators. First, it is accurate. The index is based on a survey of businesses, and is later compared with a near total count of employees, which is derived from unemployment insurance tax files. The index is rarely revised a great deal; last year the average monthly revision was only 0.1. By comparison, Oregon's monthly unemployment rates are subject to more error and year-end revisions. In 1988, for example, Oregon's raw unemployment rates were revised at year-end by an average of about 0.2 percent. The largest revision of any single month was 0.6 percent in November. For the state's seasonally adjusted unemployment rate, the largest monthly revision was 0.3 percent in both June and September.

Second, the wage & salary employment index is stable. It does not fluctuate as much as the unemployment rate. The unemployment rate may increase in times of an economic surge simply because many people with improved expectations enter the workforce when they previously had been discouraged from trying to find a job. In times of economic expansion, the wage & salary employment index marches steadily higher as the number of employed workers expands. Since Oregon has been experiencing an economic expansion over the last six years, this index has been increasing fairly steadily since December 1982. Also, when the economy reaches a turning point the employment index will turn with it. This is what happened at the end of 1982, at the start of the recovery.

Third, the index is comparable. Not only can the employment level of one month be compared with the preceding or following month, but also the employment trends of different states or the trends of one state with the United States can be compared. For example, each issue of **Oregon Labor Trends** contains a graph comparing the Oregon and U.S. wage & salary employment indexes.

Looking at the employment index graph brings up some interesting questions. Is Oregon's employment growing faster than the U.S.? Is Oregon finally catching up to the rest of the nation after being hit hard by the recession of the early 1980s? A second graph shows the percent difference between the employment indexes for Oregon and the U.S. Looking at 1985 through the present, it becomes clear that the percent difference is shrinking. Oregon is indeed catching the U.S. in employment growth.

Oregon is indeed catching the U.S. in employment growth.

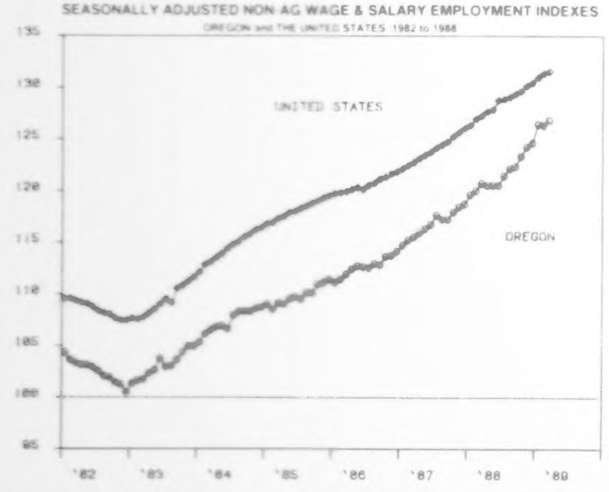
Turbulent Lumber & Wood

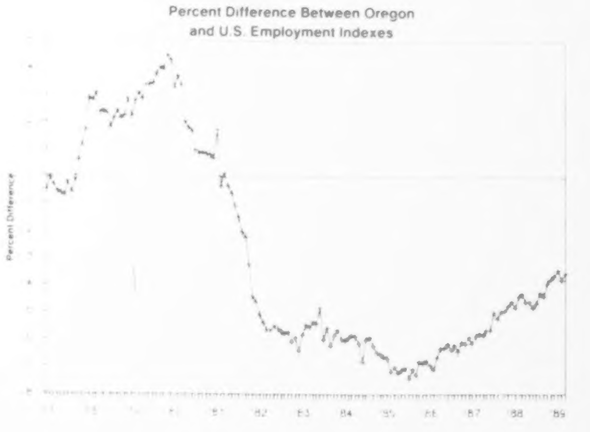
Turning to individual industries within the Oregon economy, lumber & wood products deserves first mention. Production in the first quarter of 1989 is off from the same period last year. Structural panel production in the U.S. is 5.0% lower than the first quarter of 1988 according to the American Plywood Association's Structural Panel Statistics report. Softwood lumber production for the Coast Region (the area west of the Cascade Range in Oregon and Washington) is off 11.4% through the first week in April compared with the same period a year ago, according to the Western Wood Products Association's "Barometer".

Part of the drop in production is due to the labor-management disputes of Roseburg Forest Products. Before the dispute started on January 10th, the company employed over 3,000 in its plywood, lumber, and particleboard mills. Combined, Roseburg Forest Products employment represents nearly 5% of Oregon wood products employment. With their mills now idled for over three months, the production capacity of this region, if not the actual production, has certainly diminished.

The wood products industry is facing serious raw material supply problems now and in the future. Several key issues are coming to a head in the industry. Decisions on these will have a major effect on the industry and, in turn, the Oregon economy.

1. New resource management plans for the region's national forests are being finalized. These plans will guide the management of the forests for the next 10 to 15 years.
2. The recent upsurge in the volume of logs being exported from Oregon is cramping the resource acquisition efforts of local mills, which are in direct competition with foreign countries for these same resources.
3. Environmental concerns over old growth forests and wildlife habitat preservation have left in question the amount of public timber that will be available for logging. One of these issues will be a step closer to resolution on or before May 1, when the U.S. Fish & Wildlife Service decides whether to recommend including the Northern Spotted Owl on the list of threatened or endangered species. Either way the final decision goes, it will likely be appealed by environmentalists or the industry.


SEASONALLY ADJUSTED NON AG WAGE & SALARY EMPLOYMENT INDEXES
OREGON and THE UNITED STATES 1982 to 1988


Percent Difference Between Oregon and U.S. Employment Indexes

RESIDENT OREGON LABOR FORCE

	MAR.[1] 1989	FEB.[2] 1989	CHANGE	%CHANGE	MAR.[5] 1988
CIVILIAN LABOR FORCE[3]	1 439 300	1 435 200	4 100	0 3	1 391 700
UNEMPLOYMENT	88 800	89 600	-800	-0 9	91 700
PERCENT OF LABOR FORCE	6 2	6 2	XXX	XXX	6 6
SEASONALLY ADJUSTED PERCENT	5 6	5 4	XXX	XXX	6 0
TOTAL EMPLOYMENT[4]	1 350 500	1 345 600	4 900	0 4	1 300 000

[1] *Preliminary*

[2] *Revised*

[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job holding and commuting*

[4] *Includes nonagricultural wage and salary, self employed, unpaid family workers, domestics, farm workers, and labor disputants*

[5] *Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	MAR.[1] 1989	FEB.[2] 1989	MAR. 1988	FEB. 1989	MAR. 1988
TOTAL[3]	1 170 500	1 158 400	1 123 600	12 100	46 900
WAGE & SALARY EMPLOYMENT INDEX[4]	126 9	126 4	121 8	XXX	XXX
TOTAL MANUFACTURING	208 200	207 100	207 600	1 100	600
DURABLE GOODS	153 200	151 800	153 100	1 400	100
LUMBER & WOOD PRODUCTS	63 900	63 500	67 600	400	-3 700
LOGGING & SAWMILLS	32 700	32 600	34 300	100	1 600
VENEER & PLYWOOD	14 600	14 500	17 600	100	-3 000
MILLWORK & STRUCTURAL WOOD	10 700	10 600	9 900	100	800
MOBILE HOMES	1 800	1 800	1 400	0	400
OTHER WOOD PRODUCTS	4 100	4 000	4 400	100	-300
FURNITURE AND FIXTURES	2 700	2 600	2 700	100	0
STONE, CLAY, GLASS & CONCRETE	4 100	4 000	3 700	100	400
PRIMARY METALS	10 800	10 700	9 900	100	900
BLAST FURNACES, IRON & STEEL	6 500	6 400	5 800	100	700
NONFERROUS METALS	4 300	4 300	4 100	0	200
FABRICATED METALS	11 900	11 600	10 400	300	1 500
FABRICATED STRUCTURAL METALS	5 400	5 100	4 300	300	1 100
OTHER FABRICATED METALS	6 500	6 500	6 100	0	400
MACHINERY	18 000	17 900	17 000	100	1 000
ELECTRICAL EQUIPMENT & SUPPLIES	16 200	16 100	14 700	100	1 500
TRANSPORTATION EQUIPMENT	10 500	10 300	11 100	200	-600
INSTRUMENTS & RELATED PRODUCTS	11 500	11 500	12 300	0	-800
MISCELLANEOUS MANUFACTURING	3 600	3 600	3 700	0	-100
NONDURABLE GOODS	55 000	55 300	54 500	300	500
FOOD & KINDRED PRODUCTS	20 100	20 700	20 400	600	-300
CANNING & PRESERVING	9 000	9 600	9 800	600	-800
OTHER FOOD PRODUCTS	11 100	11 100	10 600	0	500
TEXTILE MILL PRODUCTS	1 700	1 600	1 800	100	-100
APPAREL	2 700	2 600	2 500	100	200
PAPER & ALLIED PRODUCTS	8 900	8 900	9 000	0	-100
PRINTING & PUBLISHING	13 600	13 600	13 400	0	200
CHEMICALS & ALLIED PRODUCTS	2 200	2 200	2 100	0	100
PETROLEUM REFINING	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4 800	4 700	4 300	100	500
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	962 300	951 300	916 000	11 000	46 300
MINING & QUARRYING	1 300	1 200	1 300	100	0
CONSTRUCTION	37 600	36 500	34 800	1 100	2 800
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	62 000	61 800	59 100	200	2 900
TRANSPORTATION	40 400	40 300	37 800	100	2 600
RAILROAD	3 900	3 800	3 900	100	0
TRUCKING & WAREHOUSING	22 100	22 300	21 400	-200	700
OTHER TRANSPORTATION	14 400	14 200	12 500	200	1 900
COMMUNICATIONS	12 700	12 700	12 500	0	200
UTILITIES	8 900	8 800	8 800	100	100
TRADE	296 400	293 100	279 000	3 300	17 400
WHOLESALE TRADE	75 900	75 200	69 500	700	6 400
DURABLE GOODS	44 500	44 000	40 500	500	4 000
NONDURABLE GOODS	31 400	31 200	29 000	200	2 400
RETAIL TRADE	220 500	217 900	209 500	2 600	11 000
GENERAL MERCHANDISE	27 700	27 700	27 100	0	600
FOOD STORES	38 200	37 800	34 400	400	3 800
AUTO DEALERS & SERVICE STATIONS	27 500	27 100	26 900	400	600
OTHER RETAIL TRADE	127 100	125 300	121 100	1 800	6,000
FINANCE, INSURANCE, & REAL ESTATE	74 600	74 300	72 700	300	1 900
BANKING & CREDIT AGENCIES	23 500	23 500	23 600	0	-100
OTHER FINANCE, INSURANCE, & REAL ESTATE	51 100	50 800	49 100	300	2,000
SERVICES	270 300	266 700	254 900	3 600	15 400
HOTELS & PERSONAL SERVICES	27 700	26 800	27 100	900	600
HEALTH SERVICES	81 200	80 300	76 100	900	5 100
OTHER SERVICES	161,400	159 600	151 700	1 800	9 700
GOVERNMENT	220,100	217,700	214,200	2,400	5,900
FEDERAL GOVERNMENT	30,800	30,700	29,600	100	1,200
STATE GOVERNMENT	60,700	60,200	59,300	500	1,400
EDUCATION	25,700	25,600	25,700	100	0
OTHER STATE	35,000	34,600	33,600	400	1,400
LOCAL GOVERNMENT	128,600	126,800	125,300	1,800	3,300
EDUCATION	82,700	81,700	81,000	1,000	1,700
OTHER LOCAL	45,900	45,100	44,300	800	1,600
LABOR MANAGEMENT DISPUTES	3,800	3,800	200	0	3,600

[1] *Preliminary*

[2] *Revised*

[3] *Includes full and part time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900)*

Although much remains to be decided about the future of lumber & wood products in Oregon, the industry has already shown the effects of a tight timber supply. From July 1988 through June 1989, 31 mill closures affecting 2,900 workers have either occurred or been announced. Some of these closures are temporary, and not all closures are due to unavailability of logs at prices that would allow profitable mill operation. However, many of the companies have cited lack of logs as the primary reason for the closures.

A couple of bright spots in the Oregon employment picture are large construction and repair projects . . .

Major Construction

A couple of bright spots in the Oregon employment picture are large construction and repair projects on-line already or expected for the summer. Arco Alaska will soon begin a $35 million module-construction project to be completed by June 1990. Projected employment levels should reach 800 to 1,000 workers. Construction is scheduled to begin this summer just as a similar module construction job should be reaching completion. The job currently in production has a total value of $16 million and employs about 600. Another ongoing large project is the rocket launch tower being assembled near Astoria. This project is scheduled for completion in late May. In ship repair, the Exxon Valdez may be repaired in Portland, putting hundreds to work.

Employment Highlights

Employment levels in March were relatively stable in most of manufacturing. Both the fruits and vegetables and seafood portions of canning and preserving lost employees, but they will pick up within a month or two as the processing seasons start in earnest. Fabricated structural metals enjoyed widespread job growth to reach 5,400, an employment level not exceeded since November 1979.

On the nonmanufacturing side, trade and services dominated. Trade employment grew by 3,300, mostly in eating & drinking places (+1,700), food stores (+400), and gas stations (+300). The first two stand at record employment levels for this time of year (78,200 and 38,200 respectively).

Service employment has recorded a relatively slow start in 1989, cutting in half the growth rate of the past two years. In fact, the first quarter of 1989 was the slowest since mid-1987. For the first quarter of 1989, employment only increased by a seasonally adjusted 2,300. This compares with an average seasonally adjusted increase of 4,000 per quarter over the last nine quarters. Any type of seasonally adjusted employment increase may sound like good news. But what seems to be happening in the service sector is a slowing in the rate of employment growth. Much of this slowdown came in business services and professional services. Business services was a big loser, dropping 2,200 over the quarter (900 worse than seasonally expected). Professional services showed no change over the quarter (800 worse than expected). Health services helped keep the service economy from really slipping relative to the past couple of years by increasing employment 1,500 (1,200 more than seasonally expected).

The Oregon economy is still growing, but not uniformly. The lumber & wood products industry faces watershed decisions in coming months that will affect the industry for years. Meanwhile, the boom in services in the last few years has slowed in the first quarter of 1989. Fortunately, the economy is experiencing relatively low unemployment levels as this long expansion period continues. ☐

THE OREGON STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT

Duncan Wyse

(Editor's note: This is the first of two articles on the Oregon Strategic Plan for Economic Development. In this issue the planning process is described, and some of the major issues identified by the planning committees are noted. In an upcoming issue, a summary of the plan itself will be presented. Duncan Wyse is the Manager of the Policy and Strategic Planning Office at the Economic Development Department.)

In June 1988, Governor Goldschmidt formed 14 committees composed of business, labor, education and government leaders. Their charge was to examine and recommend how Oregon should shape its future.

The committees were organized to approach their task from two broad perspectives. One group of committees was formed to represent a cross-section of the state's major or rapidly growing industries. Committees in this group were asked to review the competitiveness of Oregon as a place to do business. In addition, they were to identify actions related to both the overall economic climate of the state and to those specific industries which would improve Oregon's competitiveness.

A second group of committees was formed to examine policy issues that affect economic performance across all industries. These policy committees included education and work force, international trade, state and local partnerships, economic climate and general strategy.

The committee members, about 180 altogether, worked through the summer and into the fall producing their reports, which were presented to the Governor late last year. These reports are now being incorporated into a strategic plan which will define a vision for Oregon's economic future and propose steps to achieve that vision. The plan will complete the first phase of what is expected to be a long-term effort to plan and take charge of Oregon's economic future.

Context for Strategic Plan

Oregon's economy is in the midst of tremendous change; change which will continue well into the next century. How well we respond to change will determine our success in competing and prospering in a global economy.

While the resurgence in Oregon's economy over the past two years is welcome, Oregon faces significant economic challenges. The state has not yet fully recovered from the economic distress experienced earlier this decade. During the early 1980s, for the first time since the 1930s, our economy stumbled badly. A per capita income that exceeded the national average in the late 1970s was hit so hard that it still languishes 9 percent below the national average. During the 1970s people moved into Oregon in record numbers, attracted by jobs and our widely-heralded quality of life. During the first half of the 1980s, we lost population as jobs disappeared and people moved away.

Even with the recent upturn there are fewer jobs today in many communities in Oregon than there were ten years ago, and many jobs are relatively low paying. Communities themselves are in financial distress as they try to finance schools, roads, and services on a smaller economic base. State government, too, deferred maintenance during the downturn, and now must catch up on everything from prisons to mental health to university facilities. As a result, we haven't built sufficient capacity in

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1988 Benchmark
March 1989

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1988 1/

	Annual Average	2/ Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,408.0	1,376.1	1,383.5	1,391.7	1,392.2	1,398.7	1,428.9	1,437.0	1,432.9	1,411.4	1,411.3	1,418.1	1,414.3
UNEMPLOYMENT	82.0	96.8	96.1	91.7	87.1	84.6	84.1	84.9	78.9	73.9	67.5	69.2	69.3
Percent of Labor Force	5.8	7.0	6.9	6.6	6.3	6.0	5.9	5.9	5.5	5.2	4.8	4.9	4.9
Seasonally Adjusted Percent	5.8	6.1	6.1	6.0	6.1	6.1	6.0	5.9	5.9	5.8	5.5	5.4	5.2
TOTAL EMPLOYMENT	1,326.0	1,279.3	1,287.4	1,300.0	1,305.1	1,314.1	1,344.8	1,352.1	1,354.0	1,337.5	1,343.8	1,348.9	1,345.0

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1988 3/ **

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
TOTAL WAGE & SALARY	1152.3	1101.5	1113.2	1123.6	1133.2	1146.6	1163.6	1149.1	1162.6	1174.2	1187.2	1189.1	1183.3
Wage & Salary Emp. Index (1977=100) 4/	123.0	120.3	121.4	121.8	121.8	122.0	122.4	122.9	123.5	123.7	124.6	125.4	125.7
MANUFACTURING, TOTAL	214.3	206.4	208.0	207.6	208.3	211.4	215.5	218.4	225.0	222.4	220.6	215.5	212.7
Durable Goods	155.9	151.9	153.1	153.1	153.6	156.0	156.3	157.8	159.2	158.0	158.5	157.2	156.4
Lumber & Wood Products	68.7	67.8	68.1	67.6	67.8	69.0	68.5	68.9	69.7	68.6	69.9	69.6	68.5
Logging & Sawmills	35.1	34.5	34.8	34.3	34.3	35.1	35.3	35.5	35.6	34.0	36.3	36.0	34.9
Veneer & Plywood	17.2	17.7	17.7	17.6	17.7	17.6	16.5	16.6	17.0	17.5	16.9	16.9	16.8
Millwork & Structural Wood	10.4	9.9	9.9	9.9	10.0	10.3	10.8	10.8	10.9	10.7	10.4	10.4	10.6
Mobile Homes	1.6	1.4	1.4	1.4	1.4	1.5	1.6	1.7	1.8	1.8	1.8	1.8	1.8
Other Wood Products	4.4	4.3	4.3	4.4	4.4	4.5	4.3	4.3	4.4	4.6	4.5	4.5	4.4
Furniture & Fixtures	2.7	2.6	2.6	2.7	2.7	2.8	2.8	2.8	2.7	2.7	2.7	2.7	2.6
Stone, Clay, Glass & Concrete Prod.	4.1	3.6	3.6	3.7	4.0	4.1	4.2	4.3	4.5	4.5	4.5	4.3	4.2
Primary Metals	10.2	9.8	9.9	9.9	10.0	10.1	10.3	10.4	10.5	10.3	10.4	10.3	10.6
Blast Furnaces, Iron & Steel Found.	6.0	5.8	5.8	5.8	5.9	5.9	6.0	6.0	6.0	6.0	6.1	6.0	6.3
Nonferrous Metals	4.2	4.0	4.1	4.1	4.1	4.2	4.3	4.4	4.5	4.3	4.3	4.3	4.3
Fabricated Metals	11.0	10.1	10.2	10.4	10.5	10.6	10.9	11.2	11.3	11.4	11.5	11.5	11.8
Fabricated Structural Metals	4.6	4.2	4.2	4.3	4.4	4.4	4.5	4.7	4.7	4.8	4.8	4.9	5.2
Other Fabricated Metals	6.4	5.9	6.0	6.1	6.1	6.2	6.4	6.5	6.6	6.6	6.7	6.6	6.6
Machinery	17.1	16.7	16.9	17.0	16.8	17.0	16.9	17.1	17.3	17.4	17.5	17.5	17.5
Electrical Equipment & Supplies	15.3	14.4	14.5	14.7	14.9	15.1	15.2	15.5	15.7	15.8	15.7	15.9	16.1
Transportation Equipment	11.2	11.1	11.4	11.1	11.0	11.5	11.5	11.7	11.7	11.7	10.8	10.2	10.1
Instruments & Related Products	11.9	12.3	12.3	12.3	12.2	12.0	12.0	11.9	11.9	11.8	11.7	11.4	11.5
Miscellaneous Manufacturing	3.8	3.5	3.6	3.7	3.7	3.8	4.0	4.0	3.9	3.8	3.8	3.8	3.5
Nondurable Goods	58.4	54.5	54.9	54.5	54.7	55.4	59.2	60.6	65.8	64.4	62.1	58.3	56.3
Food & Kindred Products	24.1	20.8	21.0	20.4	20.4	21.4	24.4	26.0	31.3	29.8	28.0	24.3	21.9
Canning & Preserving	13.0	10.1	10.4	9.8	9.6	10.3	13.1	14.6	19.9	18.5	16.3	12.5	10.3
Other Food Products	11.2	10.7	10.6	10.6	10.8	11.1	11.3	11.4	11.4	11.3	11.7	11.8	11.6
Textile Mill Products	1.8	1.8	1.8	1.8	1.8	1.7	1.8	1.8	1.8	1.8	1.7	1.7	1.7
Apparel	2.7	2.5	2.6	2.5	2.6	2.7	2.7	2.7	2.7	2.8	2.7	2.7	2.7
Paper & Allied Products	8.7	9.0	9.0	9.0	8.9	8.4	9.0	8.8	8.6	8.5	8.4	8.3	8.4
Printing & Publishing	13.5	13.2	13.3	13.4	13.4	13.4	13.5	13.3	13.5	13.5	13.5	13.6	13.8
Chemicals & Allied Products	2.2	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.3	2.3	2.2	2.2	2.2
Petroleum Refining	0.6	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5
Rubber & Plastic Products	4.5	4.2	4.2	4.3	4.4	4.5	4.5	4.6	4.6	4.6	4.5	4.6	4.6
Leather Products	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.4	0.5

1988 Continued

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	938.0	895.1	905.2	916.0	924.9	935.2	948.1	930.7	937.6	951.8	966.6	973.6	970.6
Mining & Quarrying	1.4	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.4
Construction	39.0	32.7	33.4	34.8	37.5	39.2	40.2	41.6	43.1	42.9	42.7	39.8	40.1
Transp., Comm. & Utilities	60.5	58.3	58.7	59.1	59.2	59.8	60.7	60.6	61.6	61.5	61.9	62.2	62.3
Transportation	39.1	37.1	37.5	37.8	37.8	38.3	39.1	39.0	39.9	40.0	40.5	40.7	40.9
Railroad	3.9	3.8	3.8	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.0	3.9	3.8
Trucking & Warehousing	22.0	21.2	21.4	21.4	21.3	21.5	22.1	22.3	22.5	22.0	22.4	22.6	22.8
Other Transportation	13.2	12.1	12.3	12.5	12.6	12.9	13.1	12.8	13.5	14.1	14.1	14.2	14.3
Communications	12.6	12.5	12.5	12.5	12.5	12.6	12.7	12.7	12.8	12.7	12.7	12.8	12.6
Utilities	8.8	8.7	8.7	8.8	8.9	8.9	8.9	8.9	8.9	8.8	8.7	8.7	8.8
Trade	291.3	275.9	275.7	279.0	282.4	285.7	292.0	295.1	297.9	299.3	301.2	304.7	307.2
Wholesale Trade	72.0	68.1	68.8	69.5	70.2	70.4	72.1	73.0	74.0	74.1	74.4	74.6	75.2
Durable Goods	42.1	39.9	40.2	40.5	41.0	41.5	42.3	42.8	43.3	43.0	43.1	43.5	44.0
Nondurable Goods	29.9	28.2	28.6	29.0	29.2	28.9	29.8	30.2	30.7	31.1	31.3	31.1	31.2
Retail Trade	219.3	207.8	206.9	209.5	212.2	215.3	219.9	222.1	223.9	225.2	226.8	230.1	232.0
General Merchandise	28.5	28.6	27.1	27.1	26.8	26.9	27.2	27.6	28.1	28.5	29.7	31.3	32.7
Food Stores	36.5	33.8	34.1	34.4	34.4	35.2	36.3	37.1	37.9	38.0	39.0	39.1	38.9
Auto Dealers & Service Stations	27.9	26.4	26.4	26.9	27.7	27.9	28.5	28.8	28.7	28.8	28.5	28.2	27.6
Other Retail Trade	126.5	119.0	119.3	121.1	123.3	125.3	127.9	128.6	129.2	129.9	129.6	131.5	132.8
Finance, Ins. & Real Estate	73.6	71.5	71.9	72.7	72.9	73.3	74.4	74.5	74.8	74.8	74.2	73.9	74.3
Banking & Credit Agencies	23.7	23.5	23.5	23.6	23.8	23.8	23.9	24.0	23.9	23.7	23.5	23.5	23.7
Other Finance, Ins. & Real Estate	49.9	48.0	48.4	49.1	49.1	49.5	50.5	50.5	50.9	51.1	50.7	50.4	50.6
Services	260.6	246.5	251.8	254.9	257.0	257.7	260.4	262.2	263.9	267.1	267.6	269.9	268.3
Hotels & Personal Services	27.8	26.0	26.4	27.1	27.7	27.9	29.1	29.5	29.5	28.7	27.8	27.3	26.9
Health Services	77.4	75.0	75.4	76.1	76.6	76.7	77.5	77.2	77.8	78.5	79.0	79.3	79.8
Other Services	155.4	145.5	150.0	151.7	152.7	153.1	153.8	155.5	156.6	159.9	160.8	163.3	161.6
Government	211.5	209.0	212.4	214.2	214.6	218.2	219.0	195.3	194.9	204.8	217.5	221.6	217.0
Federal	31.7	30.0	29.5	29.6	30.4	31.3	32.8	33.1	33.0	32.9	32.7	32.3	32.5
State Government	58.6	57.7	58.9	59.3	59.3	59.7	60.5	55.8	56.4	55.8	60.2	60.4	59.6
Education	23.9	24.4	25.5	25.7	25.3	25.5	25.6	19.9	19.5	19.8	25.2	25.7	25.2
Other State	34.7	33.3	33.4	33.6	34.0	34.2	34.9	35.9	36.9	36.0	35.0	34.7	34.4
Local Government	121.2	121.3	124.0	125.3	124.9	127.2	125.7	106.4	105.5	116.1	124.6	128.9	124.9
Education	75.4	77.9	80.3	81.0	80.1	81.0	78.6	58.0	57.1	69.5	78.9	81.9	79.9
Other Local	45.9	43.4	43.7	44.3	44.8	46.2	47.1	48.4	48.4	46.6	45.7	47.0	45.0
LABOR MANAGEMENT DISPUTES	1.4	0.1	0.1	0.2	0.1	0.7	2.4	4.9	3.8	1.1	0.8	1.2	1.2

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job holding and commuting. Includes nonagricultural wage and salary, self employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1988 Benchmark
March 1989

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1987 1/

	Annual Average	2/ Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,387.0	1,356.4	1,359.7	1,360.5	1,362.1	1,374.6	1,402.7	1,411.1	1,420.5	1,397.7	1,401.7	1,405.3	1,391.6
UNEMPLOYMENT	86.0	108.7	102.9	98.4	88.0	83.6	83.0	81.3	78.7	75.7	74.8	76.4	80.5
Percent of Labor Force	6.2	8.0	7.6	7.2	6.5	6.1	5.9	5.8	5.5	5.4	5.3	5.4	5.8
Seasonally Adjusted Percent	6.2	7.0	6.7	6.6	6.2	6.1	6.0	5.7	5.9	6.0	6.1	5.9	6.1
TOTAL EMPLOYMENT	1,301.0	1,247.7	1,256.8	1,262.1	1,274.1	1,291.0	1,319.7	1,329.8	1,341.8	1,322.0	1,326.9	1,328.9	1,311.1

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1987 3/ **

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
TOTAL WAGE & SALARY	1100.1	1050.2	1058.1	1067.2	1079.1	1095.1	1110.9	1103.2	1110.8	1126.2	1134.3	1135.0	1131.5
Wage & Salary Emp. Index (1977=100) 4/	117.4	114.7	115.3	115.7	116.0	116.5	116.8	118.0	118.0	118.6	119.1	119.7	120.3
MANUFACTURING, TOTAL	206.2	191.9	194.6	195.4	196.6	201.2	208.8	216.1	217.8	217.9	213.0	212.0	209.4
Durable Goods	149.2	140.5	141.3	142.1	143.4	147.6	150.6	153.6	154.4	155.0	152.6	154.3	154.4
Lumber & Wood Products	68.0	64.6	64.0	64.2	65.3	67.4	69.7	71.3	71.5	71.3	68.8	69.2	69.2
Logging & Sawmills	34.9	33.1	32.4	32.3	32.7	34.1	35.7	37.0	37.3	37.0	35.3	35.8	35.7
Veneer & Plywood	17.7	17.3	17.3	17.5	17.5	17.7	17.9	18.0	17.9	17.9	17.6	17.6	17.6
Millwork & Structural Wood	10.2	9.5	9.5	9.6	10.0	10.4	10.7	10.7	10.7	10.7	10.3	10.1	10.2
Mobile Homes	1.4	1.2	1.2	1.2	1.3	1.3	1.4	1.5	1.5	1.5	1.5	1.5	1.5
Other Wood Products	3.9	3.5	3.6	3.6	3.8	3.9	4.0	4.1	4.1	4.2	4.1	4.2	4.2
Furniture & Fixtures	2.5	2.4	2.4	2.4	2.4	2.5	2.5	2.6	2.5	2.6	2.7	2.7	2.7
Stone, Clay, Glass & Concrete Prod.	3.6	3.1	3.2	3.2	3.3	3.6	3.7	3.8	3.9	4.0	4.1	3.9	3.8
Primary Metals	9.3	8.5	8.7	8.9	9.0	9.1	9.4	9.6	9.5	9.7	9.7	9.7	9.8
Blast Furnaces, Iron & Steel Found.	5.5	5.2	5.3	5.4	5.4	5.4	5.6	5.6	5.6	5.7	5.7	5.7	5.8
Nonferrous Metals	3.8	3.3	3.4	3.5	3.6	3.7	3.8	4.0	3.9	4.0	4.0	4.0	4.0
Fabricated Metals	10.2	9.7	9.7	9.9	9.8	10.0	10.2	10.3	10.5	10.7	10.6	10.5	10.4
Fabricated Structural Metals	4.4	4.2	4.3	4.4	4.3	4.4	4.5	4.5	4.6	4.7	4.5	4.5	4.4
Other Fabricated Metals	5.8	5.5	5.4	5.5	5.5	5.6	5.7	5.8	5.9	6.0	6.1	6.0	6.0
Machinery	15.8	15.0	15.2	15.2	15.4	15.6	15.8	15.8	15.9	16.1	16.1	16.5	16.6
Electrical Equipment & Supplies	13.6	12.8	12.9	13.0	13.2	13.3	13.5	13.8	13.9	13.9	14.1	14.2	14.3
Transportation Equipment	10.8	9.7	10.4	10.4	10.1	11.0	10.6	11.0	11.2	11.2	10.8	11.4	11.7
Instruments & Related Products	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.2	12.2	12.1	12.1	12.2	12.3
Miscellaneous Manufacturing	3.2	2.6	2.7	2.8	2.8	3.0	3.1	3.2	3.3	3.4	3.6	4.0	3.6
Nondurable Goods	57.1	51.4	53.3	53.3	53.2	53.6	58.2	62.5	63.4	62.9	60.4	57.7	55.0
Food & Kindred Products	24.0	19.3	21.0	20.7	20.7	20.9	25.3	29.3	29.9	29.3	26.6	23.6	21.1
Canning & Preserving	13.2	8.7	10.4	10.2	10.2	10.3	14.4	18.3	18.9	18.4	15.5	12.5	10.1
Other Food Products	10.8	10.6	10.6	10.5	10.5	10.6	10.9	11.0	11.0	10.9	11.1	11.1	11.0
Textile Mill Products	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Apparel	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.4	2.5	2.5	2.6	2.6	2.6
Paper & Allied Products	9.2	9.2	9.2	9.2	9.2	9.1	9.2	9.3	9.3	9.2	9.0	9.0	9.0
Printing & Publishing	12.8	12.4	12.4	12.5	12.4	12.5	12.5	12.7	12.8	12.9	13.1	13.4	13.4
Chemicals & Allied Products	2.1	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Petroleum Refining	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.5
Rubber & Plastic Products	3.8	3.5	3.6	3.6	3.7	3.7	3.8	3.9	3.9	4.0	4.1	4.1	4.1
Leather Products	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.4

1987 Continued

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	893.9	858.3	863.5	871.8	882.5	893.9	902.1	887.1	893.0	908.3	921.3	923.0	922.1
Mining & Quarrying	1.4	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.4
Construction	35.3	29.6	29.4	29.9	32.2	34.4	36.0	38.5	39.1	39.8	39.6	38.6	36.2
Transp., Comm. & Utilities	58.5	56.8	57.0	57.2	57.6	57.9	58.6	58.6	58.8	59.8	59.8	59.4	60.2
Transportation	37.2	35.7	35.9	36.0	36.4	36.8	37.3	37.2	37.4	38.4	38.6	38.2	38.9
Railroad	4.0	4.0	3.9	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.9	3.8
Trucking & Warehousing	21.4	20.4	20.5	20.4	20.5	20.9	21.4	22.0	22.1	22.3	22.0	22.0	22.7
Other Transportation	11.8	11.3	11.5	11.7	11.9	11.9	11.9	11.2	11.3	12.1	12.6	12.3	12.4
Communications	12.5	12.5	12.5	12.5	12.4	12.3	12.4	12.5	12.5	12.5	12.5	12.5	12.5
Utilities	8.8	8.6	8.6	8.7	8.8	8.8	8.9	8.9	8.9	8.9	8.7	8.7	8.8
Trade	276.7	264.2	262.5	265.2	269.1	273.4	277.5	279.2	282.9	284.3	284.0	287.9	290.1
Wholesale Trade	68.2	65.9	65.8	66.5	67.2	67.5	68.5	69.0	69.9	70.1	69.7	69.3	69.1
Durable Goods	39.9	39.0	38.9	39.2	39.5	39.6	40.2	40.4	40.2	40.4	40.3	40.4	40.4
Nondurable Goods	28.3	26.9	26.9	27.3	27.7	27.9	28.3	28.6	29.7	29.7	29.4	28.9	28.7
Retail Trade	208.5	198.3	196.7	198.7	201.9	205.9	209.0	210.2	213.0	214.2	214.3	218.6	221.0
General Merchandise	27.1	26.5	25.3	25.2	25.6	25.8	26.3	26.7	27.2	27.2	27.8	30.2	31.4
Food Stores	33.8	32.2	32.1	32.2	32.6	33.2	33.8	34.2	34.6	34.8	35.0	35.3	35.3
Auto Dealers & Service Stations	26.5	24.7	24.9	25.2	26.1	26.7	27.0	27.1	27.3	27.3	27.2	27.0	27.0
Other Retail Trade	121.2	114.9	114.4	116.1	117.6	120.2	121.9	122.2	123.9	124.9	124.3	126.1	127.3
Finance, Ins. & Real Estate	72.1	70.1	70.2	70.7	71.5	72.0	72.8	73.6	73.6	73.4	72.4	72.2	72.5
Banking & Credit Agencies	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.9	23.9	23.9	23.7	23.8	23.9
Other Finance, Ins. & Real Estate	48.3	46.3	46.4	46.9	47.7	48.2	49.0	49.7	49.7	49.5	48.7	48.4	48.6
Services	244.4	233.0	236.7	239.0	242.4	243.7	243.2	246.2	248.9	249.3	250.1	249.6	250.1
Hotels & Personal Services	26.4	24.3	24.5	25.2	25.9	26.5	27.2	27.8	27.9	27.8	27.3	26.5	26.4
Health Services	74.4	73.3	73.4	73.9	73.8	73.7	74.4	74.8	75.3	75.4	75.0	74.9	75.4
Other Services	143.5	135.4	138.8	139.9	142.7	143.5	141.6	143.6	145.7	146.1	147.8	148.2	148.3
Government	205.6	203.3	206.4	208.5	208.3	211.1	212.5	189.5	188.2	200.2	213.9	213.8	211.6
Federal	30.6	28.6	28.0	28.6	29.7	30.2	30.8	32.2	32.4	32.6	31.9	30.9	30.8
State Government	56.9	55.2	56.6	57.8	57.7	57.5	58.8	54.3	53.8	54.0	59.6	59.1	58.5
Education	23.6	24.1	25.2	25.4	25.0	24.9	24.9	19.8	19.2	19.1	24.9	25.6	25.2
Other State	33.3	31.1	31.4	32.4	32.7	32.6	33.9	34.5	34.6	34.9	34.7	33.5	33.3
Local Government	118.1	119.5	121.8	122.1	120.9	123.4	122.9	103.0	102.0	113.6	122.4	123.8	122.3
Education	73.8	77.1	79.2	79.2	77.7	79.2	77.4	56.6	55.5	67.9	77.8	79.6	78.3
Other Local	44.4	42.4	42.6	42.9	43.2	44.2	45.5	46.4	46.5	45.7	44.6	44.2	44.0
LABOR-MANAGEMENT DISPUTES	0.2	0.0	0.0	0.0	1.4	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagricultural wage and salary, self employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

our services and infrastructure to capitalize on the economic benefits of future growth.

Even within prosperous regions of the state many families face financial distress caused by shifting job opportunities. Most disturbing, an increasing number of children are growing up in poverty because their parents are not able to find jobs that pay well. Economic frustrations contribute to higher levels of family instability, placing children at higher risk -- diminishing their development as healthy adults and productive citizens. While this robs us of productive capacity, it simultaneously burdens our communities and citizens--our social service agencies, criminal justice system, and tax dollars. Such factors threaten our ability to maintain a strong middle class, which is central to our social and economic stability.

These challenges are exacerbated by the fact that Oregon's largest basic industry - forest products - is in the midst of a difficult transition. Over the past decade, the Oregon forest products industry has cut employment by about 15 percent--over 13,000 "family-wage" jobs. While this has kept the industry competitive, it has eroded local economies in many rural areas of the state. Over the next 20 years, further modernization in sawmills and reductions in the available supply of timber from private and federal lands will result in further employment reductions throughout the state.

While Oregon faces challenges, the state also enjoys considerable strengths upon which it can build.

Oregon's competitive strengths are location and resources. The U.S. population, and with it the forces of economic growth, are shifting westward. California's economy is the strongest in the nation, and the Puget Sound economy is robust. Oregon can both serve these markets and gain businesses which want to locate near them but avoid their problems (e.g. growing congestion, industry-specific tax or regulatory disincentives).

Perhaps more important, the global economy is both growing in importance and shifting toward the Pacific Region. International trade is growing faster than are all national economies. The value of Pacific Ocean trade has overtaken Atlantic Ocean trade, and the economies of east Asia are the most dynamic in the world. Oregon's location on the Pacific Rim provides excellent opportunities for further expansion of export industries and trading industries.

Oregon has strengths both in natural resources and in public services and human resources which create a good environment for businesses. As national and international growth increases global pressure on natural resources, Oregon's forests, agricultural commodities, water and fisheries will become more valuable. Demand for products of resource industries will increase. In addition, the natural environment from which those products come will become more highly valued for its own sake. The ethic which has fostered this quality of life and which is embodied in Oregon's environmental quality, public lands, and land use planning systems contributes to this advantage.

Oregon's labor force is relatively well-educated. Oregon has a higher percentage of both high school and college graduates over the age of 25 than the nation. Oregon has a reputation for high quality and well-managed public facilities including roads, parks, metropolitan area schools, and utilities. High quality services not only improve the quality of life for citizens, but also significantly affect business productivity. Public service disinvestment in the 1980s has reduced this advantage, however, and consequently the state's public service infrastructure has begun to decay.

The combination of Oregon's natural resources and natural beauty, high quality public services, social and cultural institutions, functional cities, and low population density contribute to a final competitive advantage: Oregon's widely-recognized high quality of life. It is this factor that, to an increasing extent, distinguishes Oregon from the East Coast and from California and Puget Sound. This advantage will grow more important to firms dependent on high quality work forces as those areas become more congested.

The state fell behind on meeting infrastructure needs during the 1980s, creating potential problems for the 1990s.

What Oregon Must Work On

As the committees grappled with Oregon's strengths and weaknesses, several broad issues emerged which need to be addressed in Oregon's strategic plan:

- The quality of Oregon's workforce and educational system will be critical for Oregon's competitiveness in a global economy. While Oregon prides itself on the quality of its work force and its innovative educational institutions, there remains much to achieve as we prepare for the next century. Basic skills in math, science and foreign literacy need to match those of other countries. Also, there will be greater needs for continuous specialized training throughout Oregonians' careers in the future.
- Oregon's basic economic climate needs to be improved to encourage the hundreds of businesses throughout the state to prosper. Workers' compensation rates are repeatedly mentioned as a major problem for businesses in Oregon. Other areas of concern include unemployment insurance rates, health care costs, property and income taxes, and energy rates.
- Oregon's high quality of life is a competitive advantage for attracting and retaining businesses in the state - an advantage that the state needs to maintain as it grows.
- The state fell behind on meeting infrastructure needs during the 1980s, creating potential problems for the 1990s.
- To take advantage of global market opportunities, the state needs to "internationalize" Oregon, concentrating on increasing Oregonians' understanding of global issues and other cultures in the schools and through a wide variety of cultural exchanges.

Finally, and perhaps most importantly, it became evident during this process that business, government, education, labor and environmental interests can strengthen Oregon's competitiveness far more by working together than if these institutions go their separate ways. There is no longer any question that economies like Japan derive a competitive advantage from their institutional partnerships. The various committees identified numerous ways to build such cooperative partnerships in Oregon, which can be developed further in the strategic plan.

Just one example of a partnership that emerged from the process upon which we might effectively build in the future is a partnership between public educational institutions and the private sector to build the competitiveness of specific industries. Nearly every industry committee in the strategic plan identified specific steps that schools could take that would assist each industry to grow in Oregon. Examples range from refining education and training programs to meet industry needs to improving the transfer of research from universities to industry. Partnerships to build industries can become a powerful tool for building Oregon's economy. □

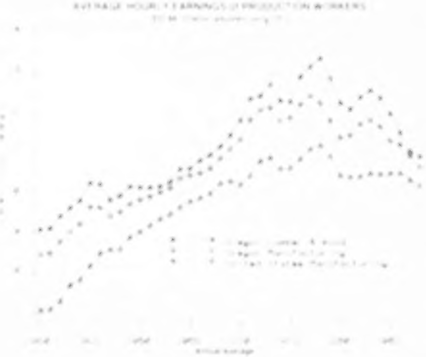
THE NEW DIVERSITY - IMPACT ON EARNINGS

Graham Slater

An article in last month's edition of **Oregon Labor Trends** investigated the structural changes which have occurred in Oregon's manufacturing sector over the past sixteen years. This restructuring is one of several factors which have contributed to a steady decline in the real hourly earnings of Oregon manufacturing workers. Average hourly earnings (AHE) for Oregon manufacturing stood at $10.64 in 1988. After adjusting for inflation, this is the lowest level since 1967.

Information on hours worked and dollars paid is collected on a monthly basis from a sample of Oregon firms. This information is then analyzed to produce estimates of average weekly hours, average hourly earnings, and average weekly earnings. This article concentrates on the hourly earnings statistics. Before progressing, a couple of definitional points are important:

1. Hours & earnings data represent production workers only. For example, in manufacturing industries they include activities such as assembling, fabricating, warehousing, and processing, but exclude occupational groups like executive, purchasing, and professional.
2. Hours & earnings statistics are based on regular types of pay which includes earnings for hours worked, vacation pay, and sick leave. However, the earnings data specifically exclude irregular payments such as bonuses, lump sum payments, and profit-sharing.
3. Hours & earnings statistics include all hours for which pay was received, whether regular time, overtime, or vacation/sick time.



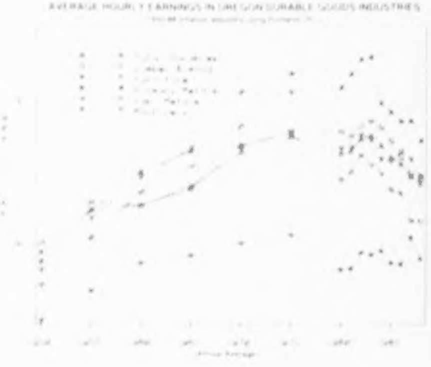
Having established the definitions, let's go back to the message of the first paragraph: the 1988 level of average hourly earnings for Oregon manufacturing (after adjusting for inflation) was the lowest since 1967. One of the accompanying graphs shows the decline in the past few years very clearly. From 1950 through the late 1970's, real AHE increased steadily almost every year; one could very easily fit a straight line to the graph. However, this growing purchasing power ended abruptly in 1978 and has been on a generally downward swing ever since. The same graph also shows Oregon lumber & wood products AHE and manufacturing AHE for the United States, both of which show similar growth trends coming to an end in the late seventies. However, the nationwide average has remained relatively unchanged during this decade, whereas Oregon's average has fallen dramatically, narrowing the historical gap between average earnings in Oregon and the nation.

> ***Many of the industries which have recorded the strongest growth offer relatively low wages, while those whose employment has declined are among the better-paying.***

One of the main factors in the decline of Oregon AHE is undoubtedly the restructuring discussed last month. Many of the industries which have recorded the strongest growth offer relatively low wages, while those whose employment has declined are among the better-paying. The manufacturing AHE figure is basically a weighted average of all the component industries. As lower paying industries account for a higher proportion of manufacturing employment, the overall average will inevitably come down. Some readers will remember the four groups of industries used in last month's analysis. The following table shows very clearly why structural changes are reducing average earnings. (For those who missed last month's article, industries were divided into four groups with group 1 containing historically very small industries, group 2 including moderately small industries and so on. We noted that the groups containing the smallest industries had grown most strongly over recent years.)

In other words, those industries which have been growing most rapidly and increasing their share of manufacturing jobs are industries with generally low hourly earnings. On the other hand, the industries which have lost, proportionately, the largest number of jobs are those with high hourly earnings.

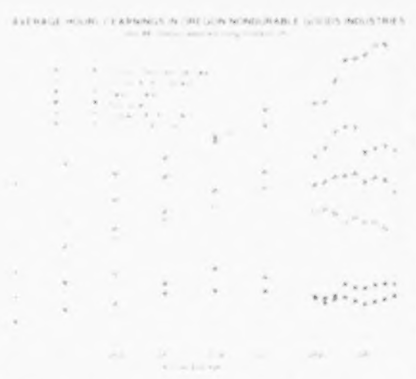
Looking again at the graph titled, "AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS", an interesting narrative for the past few years can be developed. A significant factor in the turnaround from regularly increasing purchasing power was double-digit inflation starting in 1978. By the time wage contracts came up for renegotiation, Oregon had started the slide into recession, and pay raises of 11% or more (which would have been needed to keep up with inflation) were out of the question. AHE actually improved in 1981, 1982, and 1983, during the worst of the recession, but the reasons have little to do with real pay raises. The average rose largely because thousands of workers, generally those with least seniority and therefore at the low end of the pay scale, were being laid off. As recovery crept in, some of the lower paid workers were gradually called back, which in itself would have led to a decline in the average. In addition, contract negotiations in recent years have been characterized by wage and benefit rollbacks which have further reduced earnings. Finally, profit-sharing has been introduced in many companies, at the expense of actual hourly wages. As defined above, hourly earnings statistics do not include these "irregular" payments.



	GROUP 1	GROUP 2	GROUP 3	GROUP 4
Employment change between 1980-88	+69.7%	+22.6%	8.5%	-1.1%
AHE 1988	$8.72	$9.35	$11.67	$10.37

A detailed investigation of the profit-sharing and other irregular payment issue does not change the basic scenario of Oregon workers falling behind. Data from Oregon's unemployment insurance program, which includes all types of employment income, show that real average wages in lumber & wood products have declined by 5.7% since 1980. The effect of profit-sharing and other incentives is measured by the fact that AHE has declined by 9.9% during the same time period.

Finally, it is easy to assume that lumber & wood products bears the most responsibility for the decline in earnings. Looking again at the above-mentioned graph, it is clear that manufacturing AHE mirror, to a large extent, lumber & wood trends. However, two other graphs are included. I do not recommend you spend time analyzing them or trying to trace every line on each graph. Just let your eye take in the whole picture, and a general concept becomes clear; almost all industries for which hours & earnings data are published recorded steady gains between 1950 and the late seventies. However, these were halted about ten years ago. In the case of most durable goods industries, the following years brought severe declines in earnings. Nondurables industries, in general, have shown stability, but certainly not growth.



To summarize, AHE for Oregon manufacturing workers has fallen to a twenty-year low. The earnings declines have been widespread among industries, and have been exaggerated further as lower paying industries have grown in terms of employment relative to higher paying ones. The introduction of special payment packages (such as profit-sharing) has made analysis of earnings more difficult, but the value of the extra payments has not made up for the regular earnings lost every hour of the workday. □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Feb.[2] 1989	Jan.[3] 1989	Feb. 1988	Feb.[2] 1989	Jan.[3] 1989	Feb. 1988	Feb.[2] 1989	Jan.[3] 1989	Feb. 1988
TOTAL MANUFACTURING[4]	$409.89	$415.72	$426.66	38.2	38.6	39.8	$10.73	$10.77	$10.72
Durable Goods	409.50	420.51	434.30	38.2	38.9	40.4	10.72	10.81	10.75
Lumber & Wood Products	395.63	416.38	446.22	36.7	38.2	40.9	10.78	10.90	10.91
Logging & Sawmills	407.38	445.74	471.95	34.7	38.0	40.2	11.74	11.73	11.74
Veneer & Plywood	406.90	409.50	448.80	39.2	38.2	42.3	10.38	10.72	10.61
Millwork & Structural	353.58	356.33	377.45	39.2	39.2	41.8	9.02	9.09	9.03
Mobile Homes	306.57	316.03	286.50	33.0	36.2	32.3	9.29	8.73	8.87
Other Wood Products	402.48	404.53	424.13	38.7	38.6	40.9	10.40	10.48	10.37
Furniture & Fixtures	310.23	296.52	299.63	36.2	34.6	36.1	8.57	8.57	8.30
Primary Metals	511.09	507.10	508.02	42.1	42.4	42.3	12.14	11.96	12.01
Fabricated Metals	372.78	376.27	383.96	38.0	38.2	39.3	9.81	9.85	9.77
Machinery (Ex Electrical)	453.46	446.22	449.63	41.0	40.2	41.1	11.06	11.10	10.94
Nondurable Goods	408.50	400.37	405.00	38.0	37.7	38.1	10.75	10.62	10.63
Food & Kindred Products	328.15	326.30	323.60	36.3	35.7	36.4	9.04	9.14	8.89
Canning & Preserving	282.03	273.03	276.26	35.7	34.3	35.6	7.90	7.96	7.76
Other Food Products	384.06	384.19	383.44	37.0	37.3	37.3	10.38	10.30	10.28
Textile Mill Products	230.58	254.10	252.21	32.8	35.0	37.7	7.03	7.26	6.69
Apparel	249.10	245.15	234.70	37.8	37.2	38.1	6.59	6.59	6.16
Paper & Allied Products	679.32	639.18	630.09	44.4	43.6	41.7	15.30	14.66	15.11
Printing & Publishing	427.32	421.50	440.86	36.0	35.6	36.8	11.87	11.84	11.98
Construction[4]	517.50	494.53	470.92	35.3	34.2	34.1	14.66	14.46	13.81
Communications & Utilities[5]	558.07	538.07	544.07	41.4	41.2	41.0	13.48	13.06	13.27
Trade[5]	306.33	312.22	295.83	33.7	33.9	34.2	9.09	9.21	8.65
Wholesale Trade	407.00	419.10	399.64	37.0	38.1	38.8	11.00	11.00	10.30
Retail Trade	253.61	257.90	242.95	31.9	31.8	31.8	7.95	8.11	7.64
Banking & Insurance[5]	350.95	357.40	344.82	37.9	37.9	38.7	9.26	9.43	8.91
State & Local Government	384.00	385.20	366.00						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

EMPLOYERS' CORNER - DIVISION SERVICES TO EMPLOYERS

Dorothy Monnier

The Oregon Employment Division knows that the success of your business depends on the quality of your product or service. Hiring the best possible employee is of prime importance in maintaining that quality. Our employment service staff is committed to meeting your need for qualified applicants to fill your job openings.

Our local, statewide, and national recruitment capabilities make it possible to find qualified workers for you. We save you interviewing time by screening applicants prior to referral. Only those applicants who meet your job specifications will be referred to you for your consideration. Employment Service staff screen and refer applicants without regard to their race, color, national origin, physical or mental handicap, sex, age, marital status or religion.

OTHER SERVICES AVAILABLE AT YOUR EMPLOYMENT SERVICE

AFFIRMATIVE ACTION - We understand the affirmative action requirements of employers. Special efforts can be made to find qualified applicants who meet your affirmative action goals.

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PROFESSIONAL PLACEMENT SERVICE - The professional placement service (PPS) is an expansion of our normal placement services. PPS staff in Salem, Portland metropolitan area, Eugene, and Springfield work exclusively with professional, technical, and managerial job seekers and job openings. They offer a personalized service which provides employers with applicant resumes and additional recruitment where necessary.

TARGETED JOBS TAX CREDIT (TJTC) - Taxpaying businesses receive tax incentives under this federal program. The credit is received for hiring members of specific targeted groups. Employers must request certification of the person's eligibility for TJTC in writing on or before the day the person begins work.

BONDING - We can provide fidelity bonding for qualified workers in permanent, full-time jobs when the inability to obtain bonding is the only barrier to employment. Paper work is minimal. Upon approval, coverage is effective within a few days. All costs are borne by the federal government.

LABOR MARKET INFORMATION - The Employment Division is a major source of economic data available to you. We provide information on a variety of labor market topics such as available labor force, employment projections, occupational supply/demand analysis, wages, and local economic development information.

Your Federal Unemployment Tax Act (FUTA) monies pay for our services to the public. For more detailed information on these and other services available to you, please contact your local Employment Division office. They are listed in the telephone directory under State of Oregon. ☐

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Call Dan Shankle, 686-7732 or
Fred Jasmer, 686-7667.

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OREGON LABOR TRENDS

MAY 1989

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Apr.	1989	5.4
Mar.	1989	5.6
Apr.	1988	6.1

United States (Seas. Adj.)

Apr.	1989	5.3
Mar.	1989	5.0
Apr.	1988	5.5

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977 = 100)

Apr.	1989	126.8
Mar.	1989	126.9
Feb.	1989	126.4
Jan.	1989	126.5
Dec.	1988	125.7

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Mar.	1989	$10.77
Feb.	1989	$10.75
Mar.	1988	$10.70

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Mar.	1989	39.3
Feb.	1989	38.0
Mar.	1988	39.0

CONSUMER PRICE INDEX (CPI)

1982-84 = 100
ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1988	115.9
Yearly change	3.6%
Annual Average 1988	114.7
Yearly change	3.4%

United States

Apr. 1989	123.1
Yearly change	5.1%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

CONSTRUCTION BOOMS DESPITE STAGNATING ECONOMY

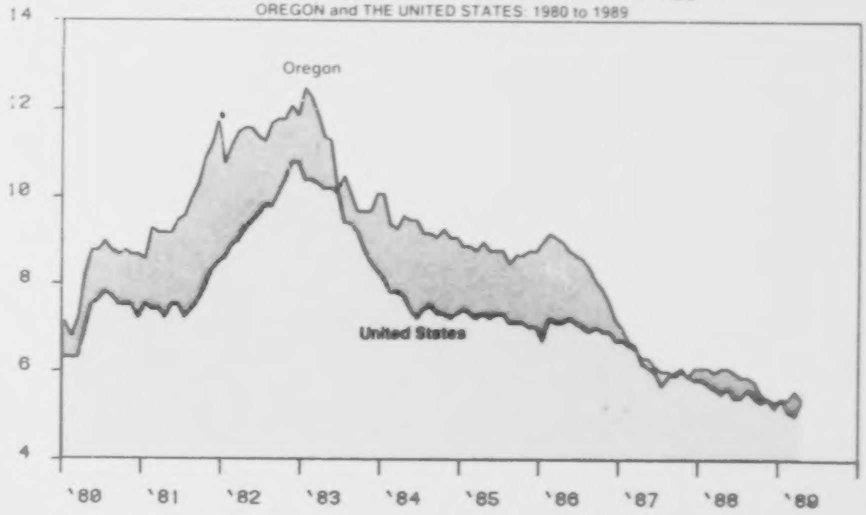
Jan Ciranns

Oregon employment figures for April appear to indicate a strong, expanding economy. The unemployment rate dropped two-tenths to 5.4% in April, seasonally adjusted. Total employment of 1,374,400 was up by 24,100 from the previous month. The number of unemployed fell to 81,700 from 88,900 in March. In addition, nonfarm payroll jobs were up by 9,800 to a level of 1,180,000. On the negative side, the nonfarm employment index dropped, but only by a tenth.

These figures can be taken at face value, leaving you with an optimistic view of the economy. However, a simple analysis of the changes that occurred over just a one month period is not sufficient. Since employment levels fluctuate in response to both business cycle and seasonal changes, the seasonal trend must be eliminated in order to analyze the economic, or real, changes. When April's employment figures are analyzed in this manner, the picture is not quite as rosy as it first appears.

For example, although total nonfarm employment increased in April by what appears to be an impressive 9,800, an increase of 10,100 was expected for this time of year. In other words, April actually recorded a real loss of 300. Employment growth during the first four months of 1989 has been greater than anticipated, with an average of 2,600 jobs added each month after adjusting for normal seasonal trends. But an average of 4,300 new jobs were added each month in 1988. So, compared with 1988, employment thus far in 1989 is growing at a slower pace.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

Another data source that points to a slowing in the economic expansion is the smaller monthly declines in the number of unemployed. There were substantial declines in the number of unemployed during the latter part of 1988 that were beyond seasonal trends. Since that set the stage as a hard act to follow, the declines in 1989 are not as strong relative to 1988. However, it should be noted that the number of unemployed in April (81,700) is the lowest level for that month since 1978. A stagnating economy is also evidenced by the virtually unchanged seasonally adjusted unemployment rate over the last seven months, which ranged from 5.2% to 5.6%. The rate has been 5.4% in three of the last four months.

Comparing this April's figures with last year's is telling as to the structural changes the economy is undergoing. From April 1988 to April 1989, total nonfarm employment increased 4.9%. But that increase did not appear in all industries. The accompanying table ranks the major industry groups by rate of employment growth.

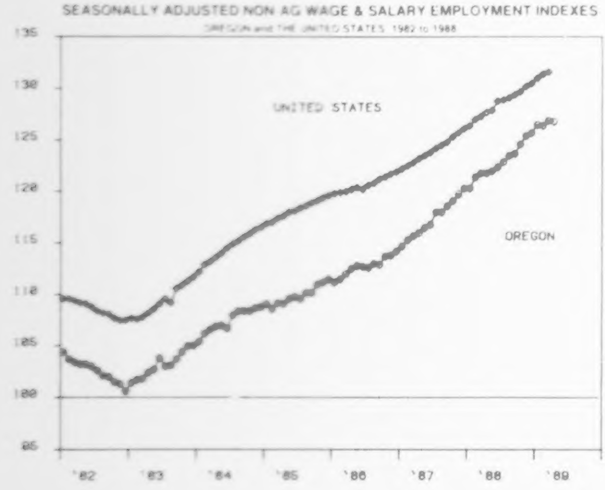
Wage and Salary Employment Growth
April 1988 - April 1989

	Actual Change	Percent Change
Construction	3,900	10.4
Mining and Quarrying	100	7.7
Trade	17,300	6.1
Transp, Comm, & Utilities	3,500	5.9
Services	15,200	5.9
Manufacturing, Nondurables	1,500	2.7
Finance, Insurance, & Real Estate	1,800	2.5
Government	3,900	1.8
Manufacturing, Durables	-400	-0.3

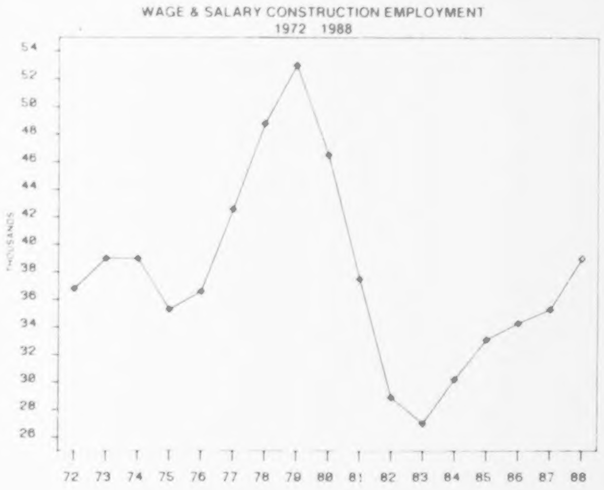
Durable goods manufacturing was the only major industry to experience an actual drop in employment over the last twelve months. The decline was largely the result of a significant drop (4,000) in lumber and wood products employment. Striking employees of Roseburg Forest Products Co. account for approximately three quarters of the decline. The strike, which began in January, was settled and ratified by the Western Council of Industrial Workers by a slim margin on May 15. The smaller union, the International Woodworkers of America, did not ratify the contract, but they are scheduled to vote again. An exact date of when all the employees will return to work is not known. Some mills are undergoing modernization and repair, so workers may not be able to return as soon as they expected. The settlement included a 60¢ an hour pay cut with an 11¢ raise beginning in January 1992. The original company proposal called for a $1 an hour wage cut. Also lost are three holidays, overtime pay for Sundays, and a $1,400 signing bonus. Since the employees were not at work during May's survey week, employment figures for the month of May will still report them as labor disputants.

Even with the majority of Roseburg workers returning to their jobs, the industry as a whole is facing very uncertain long-term prospects. The Office of Economic Analysis, Oregon Executive Department, estimates that because of two spotted owl injunctions, timber sales of 1,095 million board feet are under restraint in Oregon on federal lands administered by the U.S. Forest Service or the Bureau of Land Management. The affected timberland is primarily located west of the Cascades. The accompanying table lists the affected National Forests. The total employment impact across all industries could be a loss of approximately 10,000 to 15,000 jobs if the timber harvest declines by 1,095 million board feet. Job losses would be concentrated in timber-dependent communities; urban areas would experience the negative impacts in a more indirect manner. Accompanying the employment declines would be an annual loss of $10 to $20 million in state personal income tax revenues. Counties that receive money from federal timber sales would also suffer since they receive 25% of gross timber harvest receipts from national forest lands and 50% of gross receipts from O&C lands (primarily BLM lands).

Also affecting timber supply is the debate over exporting logs. In 1988, log exports out of Oregon ports increased 45%. The strong demand internationally for Oregon logs is also pushing prices up and cutting into domestic supplies. Exporting logs reduces the number of


SEASONALLY ADJUSTED NON AG WAGE & SALARY EMPLOYMENT INDEXES

OREGON and THE UNITED STATES, 1982 to 1988


WAGE & SALARY CONSTRUCTION EMPLOYMENT

1972 - 1988

RESIDENT OREGON LABOR FORCE

	APR.[1] 1989	MAR.[2] 1989	CHANGE	%CHANGE	APR.[5] 1988
CIVILIAN LABOR FORCE[3]	1,456,100	1,439,200	16,900	1.2	1,392,200
UNEMPLOYMENT	81,700	88,900	-7,200	-8.1	87,100
PERCENT OF LABOR FORCE	5.6	6.2	XXX	XXX	6.3
SEASONALLY ADJUSTED PERCENT	5.4	5.6	XXX	XXX	6.1
TOTAL EMPLOYMENT[4]	1,374,400	1,350,300	24,100	1.8	1,305,100

[1] Preliminary

[2] Revised

[3] Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job holding and commuting

[4] Includes nonagricultural wage and salary, self employed, unpaid family workers, domestics, farm workers, and labor disputants

[5] Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	APR.[1] 1989	MAR.[2] 1989	APR. 1988	CHANGE FROM MAR. 1989	CHANGE FROM APR. 1988
TOTAL[3]	1,180,000	1,170,200	1,133,200	9,800	46,800
WAGE & SALARY EMPLOYMENT INDEX[4]	126.8	126.9	121.8	XXX	XXX
TOTAL MANUFACTURING	209,400	208,500	208,300	900	1,100
DURABLE GOODS	153,200	153,300	153,600	-100	-400
LUMBER & WOOD PRODUCTS	63,800	63,900	67,800	-100	-4,000
LOGGING & SAWMILLS	32,100	32,500	34,300	-400	-2,200
VENEER & PLYWOOD	14,900	14,700	17,700	200	-2,800
MILLWORK & STRUCTURAL WOOD	10,900	10,800	10,000	100	900
MOBILE HOMES	1,800	1,800	1,400	0	400
OTHER WOOD PRODUCTS	4,100	4,100	4,400	0	-300
FURNITURE AND FIXTURES	2,700	2,700	2,700	0	0
STONE, CLAY, GLASS & CONCRETE	4,200	4,100	4,000	100	200
PRIMARY METALS	10,800	10,800	10,000	0	800
BLAST FURNACES, IRON & STEEL	6,400	6,500	5,900	-100	500
NONFERROUS METALS	4,400	4,300	4,100	100	300
FABRICATED METALS	11,900	11,900	10,500	0	1,400
FABRICATED STRUCTURAL METALS	5,500	5,400	4,400	100	1,100
OTHER FABRICATED METALS	6,400	6,500	6,100	-100	300
MACHINERY	18,200	18,100	16,800	100	1,400
ELECTRICAL EQUIPMENT & SUPPLIES	16,100	16,200	14,900	-100	1,200
TRANSPORTATION EQUIPMENT	10,300	10,500	11,000	-200	-700
INSTRUMENTS & RELATED PRODUCTS	11,500	11,500	12,200	0	-700
MISCELLANEOUS MANUFACTURING	3,700	3,600	3,700	100	0
NONDURABLE GOODS	56,200	55,200	54,700	1,000	1,500
FOOD & KINDRED PRODUCTS	21,000	20,200	20,400	800	600
CANNING & PRESERVING	10,000	9,100	9,600	900	400
OTHER FOOD PRODUCTS	11,000	11,100	10,800	100	200
TEXTILE MILL PRODUCTS	1,700	1,600	1,800	100	-100
APPAREL	2,700	2,700	2,600	0	100
PAPER & ALLIED PRODUCTS	8,900	9,000	8,900	-100	0
PRINTING & PUBLISHING	13,600	13,600	13,400	0	200
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,200	0	100
PETROLEUM REFINING	600	500	500	100	100
RUBBER & PLASTIC PRODUCTS	4,900	4,800	4,400	100	500
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	970,600	961,700	924,900	8,900	45,700
MINING & QUARRYING	1,400	1,300	1,300	100	100
CONSTRUCTION	41,400	37,800	37,500	3,600	3,900
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	62,700	62,100	59,200	600	3,500
TRANSPORTATION	40,800	40,500	37,800	300	3,000
RAILROAD	3,900	3,800	3,900	100	0
TRUCKING & WAREHOUSING	22,400	22,300	21,300	100	1,100
OTHER TRANSPORTATION	14,500	14,400	12,600	100	1,900
COMMUNICATIONS	12,800	12,700	12,500	100	300
UTILITIES	9,100	8,900	8,900	200	200
TRADE	299,700	296,500	282,400	3,200	17,300
WHOLESALE TRADE	76,600	76,100	70,200	500	6,400
DURABLE GOODS	45,100	44,700	41,000	400	4,100
NONDURABLE GOODS	31,500	31,400	29,200	100	2,300
RETAIL TRADE	223,100	220,400	212,200	2,700	10,900
GENERAL MERCHANDISE	27,600	27,700	26,800	-100	800
FOOD STORES	38,500	38,000	34,400	500	4,100
AUTO DEALERS & SERVICE STATIONS	27,700	27,500	27,700	200	0
OTHER RETAIL TRADE	129,300	127,200	123,300	2,100	6,000
FINANCE, INSURANCE, & REAL ESTATE	74,700	74,600	72,900	100	1,800
BANKING & CREDIT AGENCIES	23,400	23,500	23,800	-100	-400
OTHER FINANCE, INSURANCE, & REAL ESTATE	51,300	51,100	49,100	200	2,200
SERVICES	272,200	269,900	257,000	2,300	15,200
HOTELS & PERSONAL SERVICES	28,100	27,700	27,700	400	400
HEALTH SERVICES	81,600	81,300	76,600	300	5,000
OTHER SERVICES	162,500	160,900	152,700	1,600	9,800
GOVERNMENT	218,500	219,500	214,600	-1,000	3,900
FEDERAL GOVERNMENT	30,900	30,500	30,400	400	500
STATE GOVERNMENT	60,300	60,700	59,300	-400	1,000
EDUCATION	25,400	25,800	25,300	-400	100
OTHER STATE	34,900	34,900	34,000	0	900
LOCAL GOVERNMENT	127,300	128,300	124,900	-1,000	2,400
EDUCATION	81,600	82,700	80,100	-1,100	1,500
OTHER LOCAL	45,700	45,600	44,800	100	900
LABOR MANAGEMENT DISPUTES	3,600	3,800	100	-200	3,500

[1] *Preliminary*

[2] *Revised*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

National Forests Affected by Injunction
Fiscal Year 1989

	Sales Volume Affected*	Percent of FY89 Target Sales
Deschutes	13.3	6.8
Mt. Hood	141.4	43.1
Rogue River	50.3	27.6
Siskiyou	79.4	43.9
Siuslaw	21.1	6.5
Umpqua	157.1	37.3
Willamette	292.8	34.9
Winema	3.0	1.5

* Million Board Feet

jobs that could be generated in the mills if Oregon were to export more lumber and plywood rather than the raw product.

The sharp April to April decline in lumber and wood products was washed out by increases in fabricated metals (1,400), machinery (1,400), and electrical equipment and supplies (1,200), all of which are in durable goods manufacturing. Although mining and quarrying recorded the second highest employment growth rate (7.7%), it translates into an increase of only 100 jobs.

The construction industry is the big winner in terms of growth rate and actual increase. Employment over the past twelve months increased by 3,900. Although the trade and services industries posted greater increases, construction had the highest growth rate (10.4%). From March to April, construction employment increased by a surprising 3,600. Warmer, drier weather at this time of the year means seasonal increases in construction employment. But according to normal seasonal trends, employment was expected to increase by only 2,100. Within the construction industry, nonresidential building contractors' employment grew by 600 and the heavy construction sector was up by 2,000. The major factors leading to April's strong growth included the refueling and maintenance of Trojan and the construction of oil-related modules. Since construction has shown such strong growth, not just in the last month but in the past couple of years, further analyses of a few significant trends seems appropriate.

The construction industry is very sensitive to demographic changes and interest rate fluctuations. In the early 1980s, Oregon's construction industry was hit extra hard; new home mortgage rates reached an incredible 15.3% and a population net out-migration of 65,000 occurred over a two year period. Construction employment plummeted from a 1979 high of 53,000 to a low of 27,000 in 1983, a decline of nearly 50% in just four years (see graph). Since that time, employment has been steadily recovering, reaching over 41,000 in April 1989, but nowhere near 1979's peak level.

Another factor that dealt a heavy blow to the industry was the rising average wage paid to construction workers in the midst of the recession. Theoretically, wages should drop during a recessionary period since a labor surplus exists. However, the construction industry was heavily unionized and wage schedules were locked in due to multi-year labor agreements. The labor contracts also contained cost of living adjustment clauses that kept wages at high levels since inflation did not drop to a manageable level until 1982. Wages, on average, also rose because workers at the lower end of the pay range (last hired) were the first to be fired during the recession, leaving the most highly-paid workers.

Residential construction in Oregon was strong in both 1987 and 1988. Oregon housing starts were up 11% in 1987 and 18% in 1988, compared with the 10% declines nationally. The rapid population growth that Oregon has recently experienced is a primary explanatory factor. Population increased by 51,000 to 2,741,000 in 1988. This was the largest annual increase since 1979. With population still growing, housing starts in Oregon are anticipated to be 14,770 in 1989, a 14.1% increase over the previous year.

Residential construction is by no means the only sector to see heavy construction activity. The amount of retail space that was built in the Portland area (1.9 million square feet) during 1988 was more than double the amount built the previous year. Even with the new construction, Oregon's retail vacancy rate in the fourth quarter of 1988 was 6.6%, still lower than the year-earlier rate of 7.3%.

The value of new construction in Oregon was also up during 1988, an indication that people are choosing to build more upscale units and that construction inputs, in general, are higher priced. The value of residential construction was up 21%. Even larger increases occurred in the value of additions, repairs and alterations (34%). Nonresidential building recorded the highest increase in construction value of 38%.

Following a very strong year, contractors in the Pacific Northwest have lower expectations for 1989 according to a survey completed by the CIT Group/Industrial Financing Construction Industry Forecast. However, the Pacific Northwest has a more optimistic outlook relative to other regions in the United States. Now that data for the first four months of 1989 are in and reporting a very strong construction industry, it seems that the contractors with lower expectations sold the Oregon economy short. However, if employment figures in the coming months continue to indicate a stagnating economy, it is very likely that construction activity, and thus employment, will decline or at least slow. ☐

NEW PUBLICATIONS

Jan Cranny

Is Oregon's Future At-Risk? A profile of Oregon's youth... has just been released by Research and Statistics. It provides valuable information to Oregon's educators, legislators, state and local planners, elected officials, state, community and religious leaders, law enforcers, employers, parents and youth. The following excerpt is the preface from the report.

Oregon needs the productive energies of all its youth to ensure continued social and economic progress as we move into the 21st Century. Yet 10 to 15 percent of our 16-19 year-olds are at risk of not successfully making the transition into productive and responsible adulthood. The problems facing our youth are alarming, the issues compelling, and fresh solutions are needed.

The term "at-risk-youth" is now commonplace among researchers, policy makers and educators. The reasons these youth are at risk are many. Child abuse, poverty, inadequate educational opportunities, substance abuse, lack of meaningful work and recreation, and mental and physical health problems are all familiar indicators of the plight of many young people. These same problems are threatening to devastate the talent and hope of the next generations.

In Oregon, for instance:

- 216,000 Oregonians under the age of 22 are economically disadvantaged.
- Nearly 81,000 Oregonians under the age of 18 in 1987 needed mental health services; that is 11.8% of the youth population.
- Only 71 percent of the freshmen in 1983 graduated with their class four years later; this translates into a dropout rate of 29 percent.
- Oregon high school juniors are using drugs more frequently and at an earlier age than high school seniors, nationally.
- Juveniles accounted for 23.7 percent of all arrests for crimes against persons and property, and behavioral crimes.
- 64 percent of the youth who entered MacLaren School for Boys during the last six months of 1987 were assessed as being chemically dependent.
- Approximately 90 percent of the girls in the Juvenile Corrections' Hillcrest School during 1987 reported being sexually abused at some time prior to their commitment to the training school.
- One out of 13 (over 7,000) teenagers age 15-19 became pregnant, and one out of 22 gave birth in 1987.
- 900 (21%) of the teens giving birth in 1987 already had children.
- Suicide is the second leading cause of death for 15-to-24 year-olds.
- During a six month period in 1988, there were 364 reported suicide attempts in children and adolescents, an average of two per day.

Although any one of these indicators is cause for alarm, the fact that many youth fall into multiple categories is even more troubling.

You are encouraged to use this resource publication to determine what needs to be done to make Oregon the best place for children to grow, learn and thrive.

If you would like a copy of this publication please contact:

Employment Division - R&S
Attn: Perky Collins
875 Union Street NE
Salem, OR 97311
Phone: (503)378-8657
Toll free: 1-800-237-3710
Ext. 8-8657 □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Mar.[2] 1989	Feb.[3] 1989	Mar. 1988	Mar.[2] 1989	Feb.[3] 1989	Mar. 1988	Mar.[2] 1989	Feb.[3] 1989	Mar. 1988
TOTAL MANUFACTURING[4]	$423.26	$408.50	$417.30	39.3	38.0	39.0	$10.77	$10.75	$10.70
Durable Goods	426.10	408.50	420.40	39.6	38.0	39.4	10.76	10.75	10.67
Lumber & Wood Products	425.23	393.13	419.34	39.3	36.2	38.9	10.82	10.86	10.78
Logging & Sawmills	452.35	406.61	443.52	38.4	34.4	38.4	11.78	11.82	11.55
Veneer & Plywood	425.08	401.83	422.14	40.6	38.6	39.6	10.47	10.41	10.66
Millwork & Structural	361.26	353.96	348.79	40.5	38.6	39.5	8.92	9.17	8.83
Mobile Homes	317.20	306.57	318.92	35.6	33.0	36.2	8.91	9.29	8.81
Other Wood Products	420.16	401.44	407.64	40.4	38.6	39.5	10.40	10.40	10.32
Furniture & Fixtures	320.37	310.23	300.49	35.4	36.2	36.6	9.05	8.57	8.21
Primary Metals	524.36	511.09	505.73	43.3	42.1	41.9	12.11	12.14	12.07
Fabricated Metals	377.57	373.16	380.82	38.1	38.0	39.3	9.91	9.82	9.69
Machinery (Ex Electrical)	448.11	452.35	435.37	41.3	40.9	40.2	10.85	11.06	10.83
Nondurable Goods	413.26	407.74	408.24	38.3	38.0	37.8	10.79	10.73	10.80
Food & Kindred Products	331.20	326.70	325.42	36.0	36.3	35.8	9.20	9.00	9.09
Canning & Preserving	274.17	279.46	272.74	34.4	35.6	34.7	7.97	7.85	7.86
Other Food Products	395.39	381.10	386.65	37.8	37.0	37.0	10.46	10.30	10.45
Textile Mill Products	248.98	230.58	242.90	34.2	32.8	36.2	7.28	7.03	6.71
Apparel	250.04	248.34	229.32	38.0	37.4	36.0	6.58	6.64	6.37
Paper & Allied Products	676.03	679.32	640.42	44.8	44.4	42.3	15.09	15.30	15.14
Printing & Publishing	433.52	424.44	447.86	36.4	36.0	36.8	11.91	11.79	12.17
Construction[4]	526.65	518.61	478.52	35.9	35.4	34.5	14.67	14.65	13.87
Communications & Utilities[5]	525.48	561.50	512.92	39.9	41.5	39.7	13.17	13.53	12.92
Trade[5]	304.98	308.02	288.77	34.0	33.7	33.5	8.97	9.14	8.62
Wholesale Trade	403.77	410.67	379.16	37.7	37.3	37.1	10.71	11.01	10.22
Retail Trade	253.59	254.08	243.46	32.1	31.8	31.7	7.90	7.99	7.68
Banking & Insurance[5]	343.91	346.67	318.26	36.9	37.6	35.8	9.32	9.22	8.89
State & Local Government	377.85	383.72	362.96						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

UNEMPLOYMENT RATES BY STATE - 1988

Jeff Hannum

A few years from now we may look back on 1988 as the 'good ol' days', at least in an economic sense. Despite some problem areas, the nation's economic expansion passed the six year mark last year, led by strong capital spending and a boom in export sales. Even though the economy was beginning to slow in response to tighter monetary policies by the Federal Reserve Board, the demand for workers was stronger than ever. For example, the proportion of the adult population age 16 and over in the labor force (65.9%) and employed (62.3%) both reached record high levels.

> ***. . . Oregon's economic outlook for 1989 and beyond is largely in the hands of federal agencies, Congress, and the courts.***

One of the best overall measures of labor market tightness is the unemployment rate. Due to a combination of strong economic growth and demographic changes (i.e. fewer young entry-level workers in the population) the nation's unemployment rate declined by 0.7 to 5.5% in 1988, the lowest rate since 1973. Jobless rates for men (5.5%), women (5.6%), and teenagers (15.3%) also dropped sharply to the lowest levels in many years.

Recent data from the U.S. Bureau of Labor Statistics shows that this improvement was widespread throughout the nation (see table). Unemployment rates for 1988 were lower in 45 states and higher in only 4 states. Large jobless rate disparities, however, continued to exist between regions and individual states, with New Hampshire (2.4%) and Louisiana (10.9%) continuing to represent the two extremes.

States with unemployment rates lower than the national average were concentrated on the East Coast and the central plains. Labor shortages were especially acute in the New England region where unemployment declined to only 3.1%. Higher-than-average rates continued to be in the states heavily engaged in oil, gas, and mineral extraction, as well as the highly industrialized states of the Midwest (see map).

In 1987, Oregon's distinction was not its low unemployment rate, but rather the extent of improvement over the year, falling from 8.5% in 1986 to 6.2% in 1987. No other state experienced such a dramatic improvement that year. In 1988, Oregon's jobless rate dropped by only four-tenths of a point to 5.8%, but this was the lowest state rate in nearly twenty years! Jobless rates for Oregon men (5.9 to 5.6), women (6.5 to 6.1), and teenagers (16.9 to 13.6) all declined over the past year.

Will unemployment rates continue to fall in Oregon and the nation in 1989? If the first three months of the year are a reliable guide, unemployment will average about three-tenths lower both nationally (5.2%) and in Oregon (5.5%) this year.

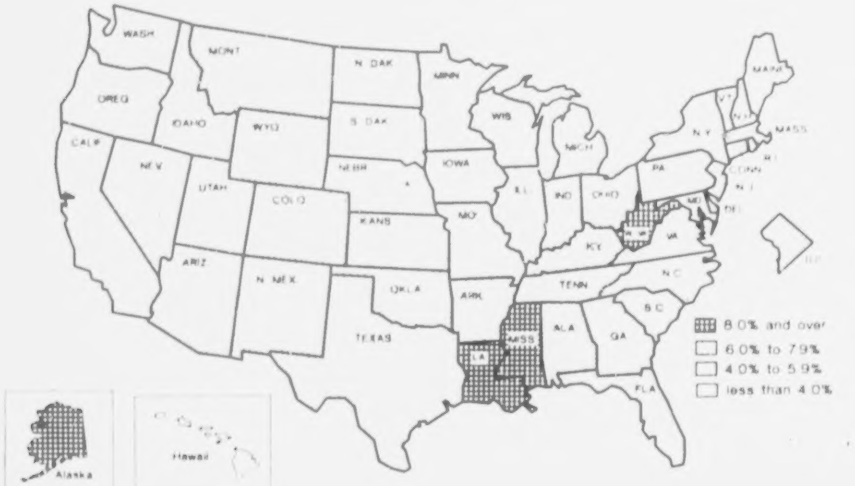
1988 UNEMPLOYMENT RATES BY STATE

Area	1988 Rank	1986	1987	1987-88 Change
United States		5.5	6.2	-0.7
New Hampshire	1	2.4	2.5	-0.1
Vermont	2	2.8	3.6	-0.8
Connecticut	3	3.0	3.3	-0.3
Rhode Island	4	3.1	3.8	-0.7
Hawaii	5	3.2	3.8	-0.6
Delaware	5	3.2	3.2	0.0
Massachusetts	7	3.3	3.2	0.1
Nebraska	8	3.6	4.9	-1.3
North Carolina	8	3.6	4.5	-0.9
Maine	10	3.8	4.4	-0.6
New Jersey	10	3.8	4.0	-0.2
Virginia	12	3.9	4.2	-0.3
South Dakota	12	3.9	4.2	-0.3
Minnesota	14	4.0	5.4	-1.4
New York	15	4.2	4.9	-0.7
Wisconsin	16	4.3	6.1	-1.8
Maryland	17	4.5	4.2	0.3
South Carolina	17	4.5	5.6	-1.1
Iowa	17	4.5	5.5	-1.0
Kansas	20	4.8	4.9	-0.1
North Dakota	20	4.8	5.2	-0.4
Utah	22	4.9	6.4	-1.5
Florida	23	5.0	5.3	-0.3
Pennsylvania	24	5.1	5.7	-0.6
Nevada	25	5.2	6.3	-1.1
California	26	5.3	5.8	-0.5
Indiana	26	5.3	6.4	-1.1
Missouri	28	5.7	6.3	-0.6
Idaho	29	5.8	8.0	-2.2
Oregon	**29**	**5.8**	**6.2**	**-0.4**
Tennessee	29	5.8	6.6	-0.8
Georgia	29	5.8	5.5	0.3
Ohio	33	6.0	7.0	-1.0
Washington	34	6.2	7.6	-1.4
Arizona	35	6.3	6.2	0.1
Wyoming	35	6.3	8.6	-2.3
Illinois	37	6.4	7.7	-1.3
Oklahoma	38	6.7	7.4	-0.7
Montana	39	6.8	7.4	-0.6
Colorado	39	6.8	7.4	-0.6
Alabama	41	7.2	7.8	-0.6
Texas	42	7.3	8.4	-1.1
Michigan	43	7.6	8.2	-0.6
Arkansas	44	7.7	8.1	-0.4
New Mexico	45	7.8	8.9	-1.1
Kentucky	46	7.9	8.8	-0.9
Mississippi	47	8.4	10.2	-1.8
Alaska	48	9.3	10.8	-1.5
West Virginia	49	9.9	10.8	-0.9
Louisiana	50	10.9	12.0	-1.1

There are some good reasons, however, to expect a gradually rising unemployment trend (after seasonal adjustments) during the rest of 1989 and into 1990. As mentioned earlier, the Federal Reserve Board adopted a tighter monetary policy last year to slow the economy and control inflation. As a result, interest rates have risen significantly. Monetary policies generally affect the economy after a long lag of at least 6 to 12 months. Therefore, it is quite likely that the full impact of these tight money policies is just beginning to bite into the economy. Recent national economic indicators appear to support this view.

Since Oregon's economy is heavily influenced by national trends, especially rising interest rates, we do expect at the very least a gradual rise in unemployment over the rest of 1989, especially in the more timber-dependent areas of the state. The real key to Oregon's outlook, however, is the availability and cost of timber to domestic mills. Since this won't be known until forest planning, log export, old growth and Spotted Owl protection issues are resolved, Oregon's economic outlook for 1989 and beyond is largely in the hands of federal agencies, Congress, and the courts. ☐

Unemployment Rates by State, 1988 Annual Averages



MINIMUM WAGE CHANGE COMES TO OREGON?

Tom Lynch

A bill has been introduced in the Oregon legislature which would raise the state's current minimum hourly wage rate by more than 40 percent over the next three years. These proposed changes would affect approximately six percent of the wage and salary employment in the state. The new legislation (Senate Bill 335) would significantly alter the current minimum wage law in Oregon. Some of the major changes would be:

- Add coverage of agricultural workers with some exemptions for students who are 16 years old or younger. The exemptions would allow the employer to pay the student at less than the established minimum hourly rate. However, the exempted student would have to be paid the same piece rate as the workers who are over 16 years old.
- Define subject agricultural employers as those who had 500 piece rate work days in any quarter of the previous year. A "piece rate" workday would be defined as having worked at least one hour for the established piece rate standard during any one day by one worker.
- Eliminate the "training wage" provision of the current law.
- Raise the current minimum wage of $3.35 per hour in three annual adjustments to $3.75, $4.25 and $4.75 per hour effective July 1 of 1989, 1990, and 1991. Biennial adjustments after 1991 would be indexed to 50 percent of the average annual weekly wage as determined by the Oregon Employment Division. The average weekly wage would be divided by forty hours to derive the comparable total average hourly wage rate.

In 1987, nearly twice as many women as men earned the minimum wage or less.

The discussions that occurred in the Oregon Senate on this proposed piece of legislation centered on the direct economic impacts of the wage changes specified in the bill. These debates ranged from raising the purchasing power of workers in lower wage jobs to job losses created by increasing employer costs to the potential of product price increases. These debates were usually based upon the assumption that raising the minimum wage leads to significant job losses, product price increases, and business closures.

One of the first major issues discussed was the characteristics of the people who are currently working at or below the current minimum wage level of $3.35 per hour. From studies that have been done on this question the following profile of minimum wage workers emerges at the national level.

AGE
Over half (57.2%) were young people under 25 years of age. Teenagers (age 16-19) accounted for 36.3% of minimum wage workers.

SEX
In 1987, nearly twice as many women as men earned the minimum wage or less. Women accounted for 65% of all minimum wage workers.

RACE-ETHNIC GROUP
Nearly one-fourth of all minimum wage workers were either Black (14.3%) or Hispanic (8.9%).

FULL OR PART-TIME
Two-thirds of those earning $3.35 or less worked part-time (i.e. less than 35 hours per week).

GEOGRAPHIC DISTRIBUTION
Minimum wage workers were much more likely to live in the South (41%) or the Midwest (28.6%). Only 14.4% lived in the Northeast region, while 16.1% lived in the West.

OCCUPATION
Over half (52.5%) of all minimum wage workers were employed in service occupations. Sales and administrative support (including clerical) occupations also employed a relatively large share (22.7%).

INDUSTRY
Nine out of ten (88.5%) minimum wage workers were employed in service-producing industries. One industry, retail trade, employed over half (51.4%) of all minimum wage workers.

EDUCATION
Years of school completed and wage levels were strongly related. Over 80% of all minimum wage workers had either completed no more than four years of high school (45.7%) or had not yet finished high school (34.7%).

With some minor variations, most of these characteristics of minimum wage workers would be applicable to the Oregon workforce. This conclusion was reached after analyzing labor force information that was available to the Employment Division.

The second major question that came up in the analysis of this legislation was the potential unemployment that would be created if the minimum wage was increased in Oregon. A review was conducted of several minimum wage studies to attempt to answer this question. The minimum wage studies were segregated into two separate groups based upon the time period in which they were completed. Most of the minimum wage studies completed during the 1970s suggested that a 10 percent increase in the minimum wage would reduce teenage (16-19 years old) employment by 1 to 3 percent. If these factors are applied to the estimated 87,750 teenagers in Oregon's 1987 workforce, the job loss would range between 880 and 2,630 for teenagers. However, these minimum wage changes will also affect the employment opportunities for young adults (20-24 years old) in Oregon. Using information from these studies conducted in the 1970s shows that for this group a 10 percent increase in the minimum wage would reduce employment by one-quarter to one-half of one percent. Applying these factors to Oregon's 1987 young adult workforce estimate of 157,380 would produce job losses of 390 to 790. Combining the two age groups would produce an estimated job loss of between 1,270 and 3,420 for every 10 percent increase in the minimum wage.

Over 80% of all minimum wage workers had either completed no more than four years of high school (45.7%) or had not yet finished high school (34.7%).

The second set of minimum wage studies used to analyze the impact of minimum wage changes in Oregon were those that were conducted using information developed during the 1980s. These studies estimated that a 10 percent increase in the minimum wage would reduce teenage employment by approximately one percent and about one-fourth of one percent for young adults. These new factors, if applied to the two workforce estimates mentioned previously, would produce job losses of 1,270 for every 10 percent increase in the minimum wage.

The questions that remained after these analyses were completed were:

- What factors were creating the differences between the job loss estimates developed for Oregon using the data from the two groups of minimum wage studies?

- What other possible local sources of information could be used to select which set of factors to use in estimating the job losses created by the proposed changes in Oregon's minimum wage by Senate Bill 335?

The answers to the first question involve understanding the different economic and labor force environments which existed in the 1960s and 1970s versus those that persisted throughout the 1980s. During the 1960s and 1970s the labor markets were driven by a surging workforce which was filled by large numbers of young people and females entering the workforce for the first time. Although the state and national economies were growing rapidly, this growth was not strong enough to absorb all of the new entrants to the labor market. This created a situation throughout this twenty year period where there was a tremendous surplus of labor available for the new jobs that were being created by the economic growth. The 1980s brought a complete reversal in this pattern of labor force growth. Due to a decline in birth rates in the 1960s and early 1970s and the slowing down in the rate with which women entered the workforce in the 1980s, the supply of labor began to decline for the new minimum wage jobs which were being generated by the economy. This change in the labor force demand/supply for these minimum wage jobs caused shortages of applicants to develop which has caused wages to rise for many of the jobs which had previously paid the minimum wage. In some areas of the United States, some of the wages for these jobs have risen to the $5-$6 per hour range.

> ***Since the proposed changes would increase Oregon's minimum wage by 42 percent between 1989 and 1991, job losses for youth could be expected to be approximately 4 percent or 3,510 jobs.***

The second question above required the identification of an alternate local data source which would support using the results of one of the two minimum wage group studies to estimate the employment impacts of the proposed minimum wage law changes in Oregon. The independent data source chosen for this analysis was the job orders arrayed by wage listed with the Oregon Employment Division between 1984 and 1988. These job orders were compared both for the absolute number listed by hourly wage and the percentage these groups made up of the total number of job orders. The comparisons showed that in 1984 the Employment Division registered 13,509 job orders paying $3.35 per hour. This represented 19.4% of the 69,698 jobs which were listed during that year. In contrast, the Employment Division registered 11,791 job orders paying $3.35 per hour in 1988 which comprised only 10.5% of the 112,173 job orders taken during that year. The analysis of the job orders over this five year period shows both an absolute reduction (-1,718) in the number and a decline in the percentage of job orders (-8.9 percentage points) that pay $3.35 per hour. The trends identified in this data source led to the selection of the minimum wage studies completed in the 1980s to estimate the job loss which would be created by the current changes being considered by the Oregon legislature in the minimum hourly wage.

The final act in this article is to apply the selected factors from the 1980s minimum wage studies to estimate the total impact of these proposed changes in Oregon over the three year period. Since the proposed changes would increase Oregon's minimum wage by 42 percent between 1989 and 1991, job losses for youth could be expected to be approximately 4 percent or 3,510 jobs. The same analysis applied to young adults would cause a job loss of 1 percent or about 1,570 jobs. This represents a combined total job loss estimate of almost 5,100 jobs over the three year period if the proposed minimum wage legislation becomes law.

Although other modifications will probably be made to the current proposal in the legislature, there is sufficient support to assume that Oregon's minimum wage will rise in the next two or three years. Similar legislation to raise the federal minimum wage (currently $3.35) is also being considered in the U.S. Congress. This article has focused only on the proposed increase in the State minimum wage. □

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OREGON LABOR TRENDS

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INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

May	1989	5.3
Apr.	1989	5.4
May	1988	6.1

United States (Seas. Adj.)

May	1989	5.2
Apr.	1989	5.3
May	1988	5.6

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977 = 100)

May	1989	127.0
Apr.	1989	126.8
Mar.	1989	126.9
Feb.'	1989	126.4
Jan.	1989	126.5

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Apr.	1989	$10.84
Mar.	1989	$10.83
Apr.	1988	$10.75

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Apr.	1989	40.5
Mar.	1989	39.4
Apr.	1988	39.9

CONSUMER PRICE INDEX (CPI)

1982-84 = 100
ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1988	115.9
Yearly change	3.6%
Annual Average 1988	114.7
Yearly change	3.4%

United States

May 1989	123.8
Yearly change	5.4%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

"ON THE OTHER HAND . . ."

Duane Ackerson

While digging for information for this article, I unearthed a fifty year old time capsule in my back yard. It was, among other things, a reminder of the fact that a mere fifty years ago, people optimistically assumed there would be a future, even if, in regard to the past, Henry Ford had provided the final word: "history is bunk." Now, I suspect, our thoughts about our future might be buried like the somewhat suspect past contained in cannisters labelled "Radioactive Waste," and buried as unobtrusively as possible somewhere where they hopefully would not be found before their time and cause embarrassment.

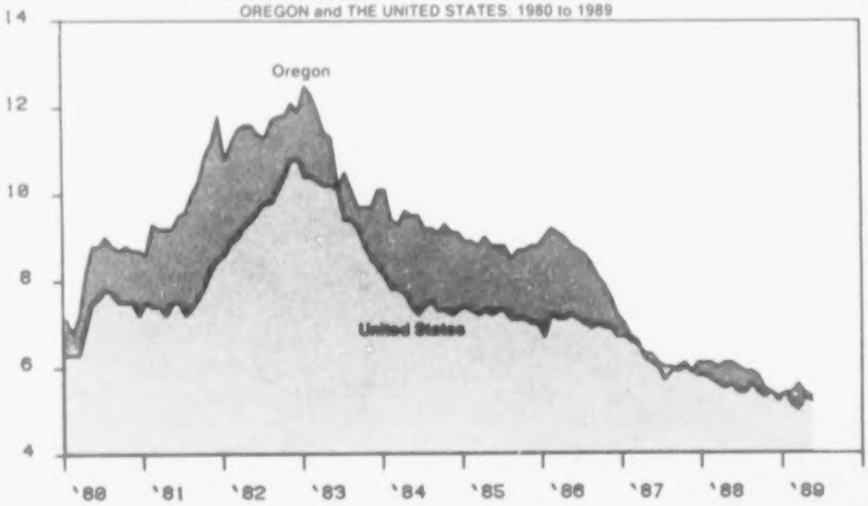
I suspect it's quite possible that this capsule was buried as part of the activities surrounding the New York World's Fair in 1939. After that, it may have slipped into a branch of the network of underground waterways, that blood stream of sorts that honeycombs our nation, carrying nuclear waste here and Indian artifacts there, and finally lodged itself, like a blood clot, in the heart of Oregon.

The message on the outside of this metal container was "Do not open until June 1989." Since the time was ripe, I pulled at the outside latch, one very much like the sort of latches on briefcases and beer kegs, and the container opened, revealing several reams of paper obviously prepared on a manual typewriter by a typist of mediocre ability, and placed in black binders identified by subject. One particularly thick folder was labeled "Labor Force Predictions, May 1989." I looked inside.

The predictions for the May now just past were for the nation and all the (then) forty-eight states. Naturally, I gravitated toward the Oregon section, and read:

"May 1989 was a fairly good month for Oregon, one in which the various indicators moved in positive directions. The seasonally adjusted unemployment

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



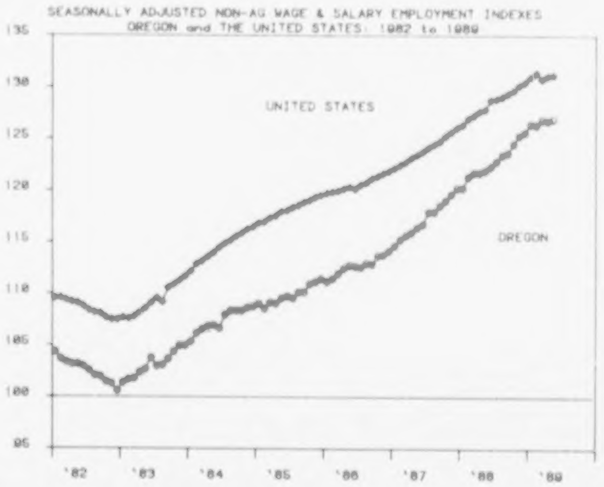
*Civilian Labor Force Only

rate went down 0.1 of a point from April, reaching 5.3%. The total number of Oregonians employed reached 1,376,300; this was 1,900 higher than in April, and over sixty thousand more than were employed in May of 1988. The total number of unemployed Oregon residents was 75,800, down 6,000 from April. The resulting May total for the civilian labor force in Oregon, the sum of total employed and total unemployed, was 1,452,100. The nonagricultural wage and salary employment index, at 127.0, was up by 0.2. The latter rose because the number of payroll jobs in May were a bit higher (+1,500) than expected for this time of year. Nonfarm payroll employment reached 1,192,500. This was 12,600 more than in April and 45,900 higher than in May 1988. This increase in the payroll level was 23.3 percent, or 225,400, higher than the worst May of the 1980-82 recession, May 1982. It was also a jump of 13.7 percent, or an increase of 143,500, from the prerecession high of 1,049,000 in May of 1979.

"Total manufacturing employment, 210,900, was 1,300 more than in April, but, on a seasonally adjusted basis, declined by 1,800, since it was expected to grow in May by 3,100. Other than in logging, most parts of the lumber industry remained stable in May, despite the furor over spotted owls, log exports, and impending timber summits. Logging, with a seasonal increase of 1,000 jobs, changed fairly substantially, and lumber and wood products will benefit next month from the end of a labor dispute that will return an additional 3,000 jobs to June employment. Fabricated metal employment was down by 800 to 11,200 due to the end of a module construction project. In the rest of manufacturing, stability was the rule, with employment levels remaining unchanged or only deviating by plus or minus 100 jobs.

"Total nonmanufacturing employment increased by 11,300 over the month, or 3,300 above seasonal expectations. Within nonmanufacturing, construction employment was at 43,500, an increase of 4,300, or 11%, above a year ago, and an increase of 1,800 over the month before. This was the best May since 1980, with road building contributing most heavily to the high job level construction reached. Services grew 2,200 in May, a time when no increase was anticipated; this present level of 274,500 is 16,800 above that for May 1988. Tourism and recreation-related industries should be growing in the next few months as the summer comes in; many of these industries are already doing quite well, especially eating and drinking places, which, with 82,800 employed, is at its highest level ever for this or any other month or year. Hotels and other lodging places equaled the May level for last year, itself a high, and amusement and recreation employment achieved, at 9,600, the best May level ever. Business services' current level of 50,200 (+1,200) is an indication that this part of the economy is picking up. This industry is made up of twenty-five varieties of service to businesses, including temporary help agencies, building maintenance, management/public relations consultants, and protective services.

"The U.S. seasonally adjusted unemployment rate in May, at 5.2%, tracked closely with Oregon's seasonally adjusted unemployment rate, also declining 0.1 point from April's rate."



This was amazing! The writer had been right on target with every prediction; in fact, he had not only hit the target each time but the bull's-eye as well! I had to see if the other forecasts involving other aspects of our experience were as supernaturally astute. I discovered one rather thin folder entitled: "General Forecast for Life in the United States, 1989." Settling back in my chair, I began to read.

"By 1989, . . . any family of any means will have its own personal autogyro.

"By 1989, man will still not have reached the moon. The autogyro* will have achieved the sort of economical production the family car did with Henry Ford, and any family of any means will have its own personal autogyro. Most homes will come equipped, as standard features, with robot maids and butlers. The abundance of such labor-saving devices, both in the factory and the home, will result in an average workweek of twenty hours. Genetic engineering will be perfected to the point where people equipped with gills will be able to commute from work to domes under the sea, cutting down on overcrowding in countries like Japan. By 1989, after the two-term administration of a former Hollywood actor, Mickey Rooney, a woman named Georgia Quail will be elected President of the United States, defeating another ex-Hollywood star, a Ms. Doris Daze, who will run against her on an anti-vivisectionist platform of pet rights. By this time, the experiments begun by Dr. Rhine at Duke University during our time will have bourne fruit, and telepathy will be the major form of communication, resulting in the eventual breaking up, under economic pressure, of AT&T. Thanks to the perfection of telepathy and resulting improved communications, human misunderstandings, including those resulting in war and crime, will be virtually eradicated . . ."

I stopped reading at that point. After the uncanny accuracy of the labor force predictions, the general forecast was a bit of a shocker. Obviously, it was easier to predict what would happen than dictate what should have come to pass. Or, there was another possibility. I opened the last folder again, and checked the title page. Sure enough. The general predictions for the U.S. had been made by an economist.

* the name then that was the closest equivalent to our modern "helicopter". □

RESIDENT OREGON LABOR FORCE

	MAY[1] 1989	APR.[2] 1989	CHANGE	%CHANGE	MAY[5] 1988
CIVILIAN LABOR FORCE[3]	1,452,100	1,456,200	-4,100	-0.3	1,398,700
UNEMPLOYMENT	75,800	81,800	-6,000	-7.3	84,600
PERCENT OF LABOR FORCE	5.2	5.6	XXX	XXX	6.0
SEASONALLY ADJUSTED PERCENT	5.3	5.4	XXX	XXX	6.1
TOTAL EMPLOYMENT[4]	1,376,300	1,374,400	1,900	0.1	1,314,100

[1] *Preliminary*

[2] *Revised*

[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job holding and commuting.*

[4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*

[5] *Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

	MAY[1] 1989	APR.[2] 1989	MAY 1988	CHANGE FROM APR. 1989	CHANGE FROM MAY 1988
TOTAL[3]	1,192,500	1,179,900	1,146,600	12,600	45,900
WAGE & SALARY EMPLOYMENT INDEX[4]	127.0	126.8	122.0	XXX	XXX
TOTAL MANUFACTURING	210,900	209,600	211,400	1,300	-500
DURABLE GOODS	154,200	153,400	156,000	800	-1,800
LUMBER & WOOD PRODUCTS	65,100	64,100	69,000	1,000	-3,900
LOGGING & SAWMILLS	33,500	32,500	35,100	1,000	-1,600
VENEER & PLYWOOD	14,800	14,800	17,600	0	-2,800
MILLWORK & STRUCTURAL WOOD	10,800	10,800	10,300	0	500
MOBILE HOMES	1,800	1,800	1,500	0	300
OTHER WOOD PRODUCTS	4,200	4,200	4,500	0	-300
FURNITURE AND FIXTURES	2,800	2,700	2,800	100	0
STONE, CLAY, GLASS & CONCRETE	4,400	4,300	4,100	100	300
PRIMARY METALS	10,800	10,800	10,100	0	700
BLAST FURNACES, IRON & STEEL	6,400	6,400	5,900	0	500
NONFERROUS METALS	4,400	4,400	4,200	0	200
FABRICATED METALS	11,200	12,000	10,600	-800	600
FABRICATED STRUCTURAL METALS	4,700	5,500	4,400	-800	300
OTHER FABRICATED METALS	6,500	6,500	6,200	0	300
MACHINERY	18,300	18,200	17,000	100	1,300
ELECTRICAL EQUIPMENT & SUPPLIES	16,300	16,100	15,100	200	1,200
TRANSPORTATION EQUIPMENT	10,300	10,100	11,500	200	-1,200
INSTRUMENTS & RELATED PRODUCTS	11,400	11,500	12,000	-100	-600
MISCELLANEOUS MANUFACTURING	3,600	3,600	3,800	0	-200
NONDURABLE GOODS	56,700	56,200	55,400	500	1,300
FOOD & KINDRED PRODUCTS	21,600	21,100	21,400	500	200
CANNING & PRESERVING	10,100	10,000	10,300	100	-200
OTHER FOOD PRODUCTS	11,500	11,100	11,100	400	400
TEXTILE MILL PRODUCTS	1,700	1,700	1,700	0	0
APPAREL	2,600	2,600	2,700	0	-100
PAPER & ALLIED PRODUCTS	8,900	9,000	8,400	-100	500
PRINTING & PUBLISHING	13,700	13,600	13,400	100	300
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,200	0	100
PETROLEUM REFINING	600	500	600	100	0
RUBBER & PLASTIC PRODUCTS	4,800	4,900	4,500	-100	300
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	981,600	970,300	935,200	11,300	46,400
MINING & QUARRYING	1,500	1,400	1,300	100	200
CONSTRUCTION	43,500	41,700	39,200	1,800	4,300
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	62,700	62,800	59,800	-100	2,900
TRANSPORTATION	40,800	40,900	38,300	-100	2,500
RAILROAD	3,800	3,900	3,900	-100	-100
TRUCKING & WAREHOUSING	22,400	22,400	21,500	0	900
OTHER TRANSPORTATION	14,600	14,600	12,900	0	1,700
COMMUNICATIONS	12,800	12,800	12,600	0	200
UTILITIES	9,100	9,100	8,900	0	200
TRADE	303,400	299,000	285,700	4,400	17,700
WHOLESALE TRADE	76,800	76,000	70,400	800	6,400
DURABLE GOODS	45,300	44,700	41,500	600	3,800
NONDURABLE GOODS	31,500	31,300	28,900	200	2,600
RETAIL TRADE	226,600	223,000	215,300	3,600	11,300
GENERAL MERCHANDISE	28,000	27,700	26,900	300	1,100
FOOD STORES	39,100	38,500	35,200	600	3,900
AUTO DEALERS & SERVICE STATIONS	28,100	27,700	27,900	400	200
OTHER RETAIL TRADE	131,400	129,100	125,300	2,300	6,100
FINANCE, INSURANCE, & REAL ESTATE	75,300	74,800	73,300	500	2,000
BANKING & CREDIT AGENCIES	23,500	23,400	23,800	100	-300
OTHER FINANCE, INSURANCE, & REAL ESTATE	51,800	51,400	49,500	400	2,300
SERVICES	274,500	272,300	257,700	2,200	16,800
HOTELS & PERSONAL SERVICES	28,400	28,200	27,900	200	500
HEALTH SERVICES	82,200	81,700	76,700	500	5,500
OTHER SERVICES	163,900	162,400	153,100	1,500	10,800
GOVERNMENT	220,700	218,300	218,200	2,400	2,500
FEDERAL GOVERNMENT	31,300	30,800	31,300	500	0
STATE GOVERNMENT	60,100	60,100	59,700	0	400
EDUCATION	25,400	25,400	25,500	0	-100
OTHER STATE	34,700	34,700	34,200	0	500
LOCAL GOVERNMENT	129,300	127,400	127,200	1,900	2,100
EDUCATION	82,200	81,700	81,000	500	1,200
OTHER LOCAL	47,100	45,700	46,200	1,400	900
LABOR - MANAGEMENT DISPUTES	3,600	3,800	700	-200	2,900

[1] *Preliminary*

[2] *Revised*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

A HOUSE AFIRE: THE ECONOMIC IMPACT OF THE ARTS

Duane Ackerson

Recently the Oregon Arts Commission issued its biennial report on the economic "State" of the arts. The report on the arts industry in Oregon in 1987, entitled **Cultural Equation** (Feb. 1989), was prepared for the OAC by the Western States Management Institute, a program of the Arts Council of Southern Oregon. Copies can be requested from the OAC (835 Summer St. NE, Salem, Or. 97301) or from the Western Arts Management Institute (33 North Central, Suite 308; Medford, Oregon 97501-5923).

The previous publication, **Impact: A Report on the Arts Industry in Oregon**, provides a similar discussion on characteristics and economic impact of the arts industry in 1985. This earlier report used an economic multiplier of 2.78 to compute the economic impact of the arts to be $94 million. The more recent publication states that "The Oregon Economic Development Department's Tourism Division has, through careful research, arrived at a multiplier rate of 1.94 for the state's tourism industry. The Oregon Film and Video Task Force has adopted a rate of 3.0. **Cultural Equation** takes a middle ground in adopting a rate of 2.5, slightly more conservative than the rate of 2.78 used in previous years." The report goes on to say that given the concentration of arts businesses in metropolitan areas and "regions with somewhat self-contained economies" and given the fact that the survey used covers the entire state's economy, "the multiplier rate may very well exceed 3.0, giving an economic impact in excess of $126 million."

The state tourism multiplier alluded to here is from a report, **The Economic Impact of Travel in Oregon**, prepared for the Oregon Tourism Division by Dean Runyan Associates and Dick Conway & Associates. This report estimates that in the same year of 1987, Oregon travel expenditures were almost $1.8 billion (travel expenditures for the tourism industry excluding air travel), resulting in a payroll of $319,227,000 and creating employment of 36,925. (Appendix A, "Travel-Generated Impacts, by County and Type of Business; Oregon 1987.")

Actually, the estimate of the economic impact of the arts, even at the high-end multiplier of 3.0, seems a modest one. This is partly because, while acknowledging the value of "the commercial side of esthetics and artisanship," the report basically concerns itself with the "nonprofit" art industry. **Cultural Equation**, after surveying 175 arts organizations in Oregon, concluded that "The number of people holding full-time, part-time, or contracted positions in arts groups in Oregon...was 7,108" in 1987. Arts industry revenues were estimated at $42.5 million in 1987, up 26% from $33.7 million in 1985, when a smaller sample of these organizations was surveyed. Applying the 3.0 multiplier to this $42.5 million in revenue results in the $126 million figure for the economic impact of the arts. Or, applying the more conservative 2.5 multiplier, the impact becomes $105 million.

As a percent of the almost $1.8 billion in travel expenditures associated with the tourism industry, this $126 million represents only about 7%. Is this percentage big enough? **Cultural Equation** discusses links between tourism and the arts, again citing the Oregon Division of Tourism: "...when Oregon residents travel within the state, 36.4% attend a fair or festival, while 38.7% go to a restaurant or club primarily for entertainment, often provided by Oregon musicians. While out-of-state visitors place attending a cultural or artistic event relatively low on the priority list (14.3% attend such events), we know that some regions generate much higher numbers because of such attractions as the Oregon Shakespeare Festival, Britt Music Festival, Sunriver Music Fesitival and Oregon Bach Festival, to name but a few."

If we . . . avoid the pidgeonholes it's easy to fall into when defining "the arts," we may notice that the arts in this country are going like a house afire.

The report discusses direct art spending (for example, salaries paid to actors in a theatre group) and the indirect impact of these dollars (such as money those actors might spend, out of these salaries, in the community) to arrive at its estimates (take your pick) of $105 or 126 million. Admittedly, it makes no attempt to get beyond direct and indirect economic impact to assess the effects of "induced spending". The last includes dollars spent in the course of attending a cultural event on such things as babysitters, parking, or dinner before or after the event. In trying to picture something as diverse as the arts and its total economic impact, we need to visualize some activities associated with the arts, and the audience for these activities.

If we start to look around, and avoid the pidgeonholes it's easy to fall into when defining "the arts," we may notice that the arts in this country are going like a house afire. (More about the fire later.) Around the state, more and more places for arts activities are being built: recently, these include the Portland and Newport Performing Arts Centers, to name just two.

In addition to the dual draw on tourists (both in- and out-of-state) and area residents exerted by such events as the Mt. Hood Jazz Festival, the Portland Artquake, and the Salem Art Fair, we also need to consider the fact that the arts impact some industries outside those considered under tourism, or other portions of the industries considered by the tourism study. An example might be something like the Portland or Eugene Saturday Market, or some of the establishments in the Eugene Fifth Street Market that sell artworks along with "craft" items. A survey that focuses on "art organizations" will exclude a number of possibilities. Some that come to mind: galleries that sell artwork for profit, places that market art as a community service or as an adjunct to their normal trade, whether restaurants that display local artists' paintings for sale, taverns that sponsor poetry readings and/or charge for jazz concerts, or bookstores that carry small press publications on consignment.

Such things as those mentioned above may be small taken individually, but can still have a cumulative impact. And occasionally one of these modest efforts, with or without the involvement of arts organizations, takes off. Rod McKuen's poetry was initially published by his own Stanyan Street Press, and Will Vinton is an Oregon artist who started small and graduated to Academy Awards for short subjects and to his famous troupe of all-singing, all-dancing raisins. Or, on the other hand, a small enterprise accustomed to surviving on arts endowments may find itself with a commercial "hit," such as the small press that published Harvey Fierstein's *Torch Song Trilogy* just prior to his winning the Pulitzer Prize for drama. These are extreme instances of economic success, but they do highlight some of the difficulties involved in gauging the economic impact of an industry that's all over the place. There are even portions of the arts, like literature, that straddle arts and humanities; numerous works in this area have been sponsored by the National Endowment for the Arts and/or the National Endowment for the Humanities, or by the organizations that are their state and local level arts and humanities counterparts.

Outside of literature's unique position, the very province of artworks tends to be interdisciplinary; this is one of the few areas of our increasingly specialized modern life where the focus tends to expand rather than contract. Art wants to help us see relationships between the most unlikely things, to make great leaps along with small hops. Paradoxically, through the very ordering process, it reminds us of what a rich jumble life is. The success in the last two decades of the Arts in Education program, jointly sponsored by the National Endowment for the Arts, state arts commissions such as the Oregon Arts Commission, and regional arts councils and centers around this and other states, attests to the interdisciplinary value of the arts when teamed with education. In fact, the impact of education on the arts, and arts on education, is a whole other area ripe for further examination.

Art is intertwined with education, which itself attempts to deal with a diversity of things; it is also strongly tied to commerce. *Art in America* estimates yearly art sales in New York City of $850 million. And in Oregon? Ron Cowan, in a 1988 story in the Salem *Statesman-Journal*, reported that the 1988 Art Fair in Salem resulted in combined revenue of $404,040. The fair generated $128,800 in commission, registration, and other such income for the sponsoring Salem Art Association, money used in turn to finance nonprofit activities.

The arts are very labor-intensive; the performing arts probably more so than what Dylan Thomas called the "poet's sullen craft and art". Nonetheless, even the solitary artist can have his or her effect on the economy and the world beyond economics. As a for instance, a novelist writes a book seen as critical of Islam, and finds himself generating considerable response, including beefed-up expenditures for airport security, sales for bookstores, and lucrative copy for the news media. This impact is even more predictable in the case of the more public arts events, particularly those in the performing arts such as music, theatre, and dance. These are mixed media affairs, drawing not only on various forms of expression but also pulling together different strands of commerce.

In America, what was considered commerce at the outset has sometimes graduated to art with the passage of time, gaining even more commercial clout in the process. This is true to an extent of even the most commercial art, such as magazine ads and covers; witness the growing appreciation of commercial illustrators like Norman Rockwell, Nathaniel Wyeth, and Maxfield Parrish, and craftsmen like Louis Tiffany or the various art nouveau figures.

Beyond the appreciation of individual commercial artists, whole art forms have moved over from commerce to art. Jazz, musical theatre, and the movies are all instances of misbegotten children that have crossed to the other side of the tracks almost en masse in the course of a few decades, moving into the House of Art. In Washington, D.C. there is the American Film Institute in the Kennedy Center for the Performing Arts. In the same town, no less an institution than the Smithsonian has issued recordings attempting to "reconstruct" pre-*Oklahoma!* original cast albums as nearly as possible from individual 78 RPM records. The Smithsonian also has a similar archival series of recordings of jazz masters. And, in becoming art, these forms don't cease to be commercial as well. Witness the annual television showings of the ultimate film musical, *The Wizard of Oz*.

Even the most pragmatic dairy farmer knows cows produce more milk to Beethoven than to "headbanger" music; . . .

When movies were in their infancy, no one thought them valuable enough to worry about the fact that they had been placed on some very perishable nitrate stock. Now, major efforts are devoted to locating and restoring films that are nearly as far gone in some cases as the dodo bird. Crime movies that were originally intended as the lower berth, "B" portions of a double bill are now "cinema noir," their very graininess and low budget resourcefulness viewed as artistic pluses. These, and the cowboy features that delighted kids at matinees several decades ago, are now the subject of entire film study courses at universities.

TV, in its early period, was thought of as equally, if not more, disposable. As a result, critically lauded *Mr. Peepers* episodes faded away on cheap kinescope recordings, while its near contemporary, *I Love Lucy*, the first series to be shot on quality film stock, may survive in reruns well into the 21st century. Now, these and other shows are also permanently housed in a museum devoted to the history of television.

Musical theatre performances, live and on stage, were hardly preserved at all. When these musicals are filmed, it is seldom with performers from the original production; in fact, until the 1950's, most of the original score was usually replaced along with the cast. The original cast recording really came into being with *Oklahoma!* (1943), initially an album of 78 RPM records, and became a fixture by 1950 with the advent of the long-playing record. This is the primary means, other than through the musical "standards" of theatre composers and lyricists like Richard Rodgers, Cole Porter, Frank Loesser, Harold Arlen, Irving Berlin, Arthur Schwartz, and Stephen Sondheim, by which we know many shows now considered a valuable part of the country's musical and theatrical heritage. In addition, many of these shows still generate considerable revenue through revivals, summer stock, and little theatre performances. Some, like *Show Boat*, *Porgy and Bess*, and *Sweeney Todd*, are performed in the opera house as well, having passed through the twilight zone between "entertainment" and "the arts."

The labor-intensive value of the arts is typically undervalued. Why? Often, (with exceptions like a painting or sculpture) a concrete, tangible good is not produced. And the services provided are less "necessary" than an oil and lube job when someone's car is really in need. Also, some people persist in believing that art and commerce are like oil and water, and don't mix.

Yet, it is hard to estimate the intangible, more psychic benefits of the arts. When we move past cost benefit ratios, and beyond the need to minister to a sick engine or a crankshaft diseased, the arts may do more long-term good for our mental and physical health than a tune-up for the car or an aerobics class for the body. Even the most pragmatic dairy farmer knows cows produce more milk to Beethoven than to "headbanger" music; many a person may be suffering from a blander arts diet than our dairy cattle, and not even realize why he or she doesn't feel quite right or very productive.

The way in which we define art--whether the definition includes movies, television, musical theatre, and jazz, some of our most distinctive cultural contributions in America--says a lot about how broad an economic impact we should project for the arts, whether in Oregon or the country as whole. The arts are not just the visual and performing arts. And, though live performances are the lifeblood of the arts, performances still live, whether preserved on film, vinyl, video or magnetic tape, or merely in the memories of theatregoers fortunate enough to have seen the original *Glass Menagerie*. These fragile images, like glass animals, can be surprisingly durable; after families, memories are the first things, wrapped in photo albums, carried out of burning houses. □

EMPLOYERS' CORNER EMPLOYMENT ELIGIBILITY VERIFICATION- A NEW SERVICE TO EMPLOYERS

Al Swafford

(Editor's note: The following article is an update on the Employment Division's role regarding employment eligibility verification of job applicants. We first announced this new employer service in the February 1989 issue of **Oregon Labor Trends**.*)*

The Oregon Employment Division is now providing a new, important service to employers. As of April 10, Employment Division staff began assisting individuals who register for work to complete the U.S. Immigration and Naturalization Service's Form I-9.

The Immigration Reform and Control Act (IRCA) of 1986 requires employers to have the Form I-9 on all employees hired after November 6, 1986. IRCA says employers may hire only American citizens and aliens who are authorized to work in the United States. The I-9 is verification that the employee has presented documentation which establishes identity and employment eligibility as required by the new federal law.

The Employment Division issues I-9 certifications when an employer requests this service on job orders over three days in duration. Applicants hired on I-9 designated job orders will generate an employment certification which is mailed to the employer. The employer files the certification, which serves in lieu of the Form I-9.

The employer is saved valuable time by not having to check a new employee's documents or complete the I-9. In the case of an audit of the employer's records by the Immigration and Naturalization Service, the Employment Division is responsible for maintaining a record of the (I-9) verification of the individual's employment eligibility.

Employers wanting more information on this new employment eligibility verification service should contact any local office of the Oregon Employment Division. □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr[2] 1989	Mar[3] 1989	Apr 1988	Apr[2] 1989	Mar[3] 1989	Apr 1988	Apr[2] 1989	Mar[3] 1989	Apr 1988
TOTAL MANUFACTURING[4]	$439.02	$426.70	$428.93	40.5	39.4	39.9	$10.84	$10.83	$10.75
Durable Goods	447.58	429.66	435.11	41.1	39.6	40.4	10.89	10.85	10.77
Lumber & Wood Products	454.02	432.61	446.22	41.2	39.4	40.9	11.02	10.98	10.91
Logging & Sawmills	495.28	467.50	474.70	41.0	38.7	40.4	12.08	12.08	11.75
Veneer & Plywood	456.19	425.08	457.73	43.2	40.6	42.5	10.56	10.47	10.77
Millwork & Structural	361.60	360.19	351.92	40.0	40.2	39.9	9.04	8.96	8.82
Mobile Homes	299.79	318.79	319.74	34.9	35.5	36.5	8.59	8.98	8.76
Other Wood Products	434.28	415.44	427.61	42.0	40.1	41.8	10.34	10.36	10.23
Furniture & Fixtures	304.09	330.41	260.88	35.4	35.3	30.8	8.59	9.36	8.47
Primary Metals	520.65	523.93	498.93	43.1	43.3	41.2	12.08	12.10	12.11
Fabricated Metals	394.68	379.94	387.03	39.0	38.3	39.9	10.12	9.92	9.70
Machinery (Ex Electrical)	467.04	447.31	448.54	41.7	41.0	40.3	11.20	10.91	11.13
Nondurable Goods	413.70	414.65	411.48	38.7	38.5	38.6	10.69	10.77	10.66
Food & Kindred Products	337.64	333.79	330.99	36.9	36.4	37.4	9.15	9.17	8.85
Canning & Preserving	278.60	274.28	269.74	35.0	34.5	36.8	7.96	7.95	7.33
Other Food Products	413.31	400.79	403.39	39.4	38.5	38.2	10.49	10.41	10.56
Textile Mill Products	244.64	248.98	243.57	34.7	34.2	36.3	7.05	7.28	6.71
Apparel	256.03	248.44	234.42	38.5	37.7	36.4	6.65	6.59	6.44
Paper & Allied Products	680.51	690.24	664.22	44.8	45.5	43.3	15.19	15.17	15.34
Printing & Publishing	426.39	425.80	428.79	36.6	36.3	36.4	11.65	11.73	11.78
Construction[4]	563.26	527.78	488.23	38.5	36.1	34.7	14.63	14.62	14.07
Communications & Utilities[5]	571.72	529.60	530.47	42.1	40.0	40.9	13.58	13.24	12.97
Trade[5]	330.06	307.36	309.75	35.3	34.0	35.0	9.35	9.04	8.85
Wholesale Trade	437.86	409.05	413.70	39.2	37.7	39.4	11.17	10.85	10.50
Retail Trade	272.90	253.44	257.15	33.2	32.0	32.8	8.22	7.92	7.84
Banking & Insurance[5]	370.54	343.71	343.77	38.8	36.8	38.8	9.55	9.34	8.86
State & Local Government	384.44	377.99	367.12						

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[1] Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

[2] Preliminary

[3] Revised

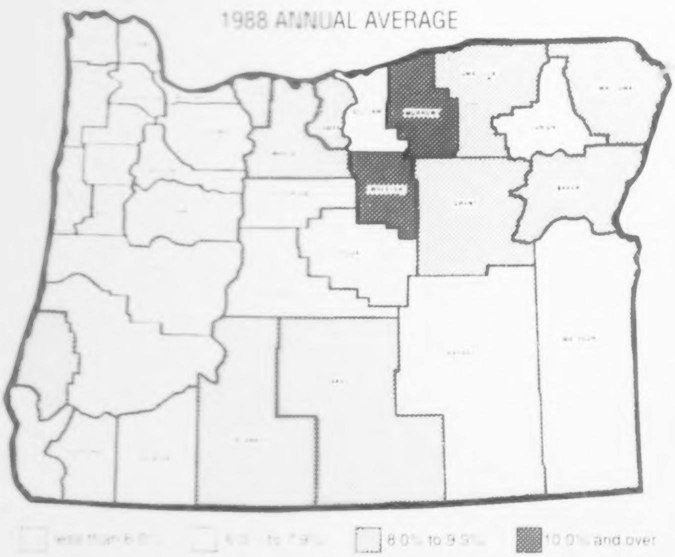
[4] Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

[5] Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

UNEMPLOYMENT RATES BY AREA

Area	1988 Rank	1988	1987	1987-88 Change
United States		5.5	6.2	-0.7
Oregon		5.8	6.2	-0.4
Benton	1	3.6	3.7	-0.1
Gilliam	2	4.5	6.7	-2.2
Portland PMSA 1/	3	4.8	5.3	-0.5
Eugene MSA 2/	4	5.5	5.7	-0.2
Clatsop	5	5.8	6.6	-0.8
Salem MSA 3/	6	5.9	6.2	0.3
Curry	7	6.0	6.2	-0.2
Lincoln	8	6.2	6.7	-0.5
Jefferson	9	6.4	6.5	-0.1
Medford MSA 4/	10	6.5	6.4	0.1
Malheur	11	6.8	7.7	-0.9
Josephine	12	7.1	7.3	-0.2
Tillamook	13	7.2	8.2	-1.0
Crook	14	7.4	7.5	-0.1
Deschutes	15	7.5	7.8	-0.3
Douglas	16	7.7	7.6	0.1
Columbia	16	7.7	8.2	-0.5
Harney	16	7.7	7.8	-0.1
Linn	19	7.9	8.2	-0.3
Union	19	7.9	7.9	0.0
Wasco	21	8.0	9.0	-1.0
Lake	22	8.5	8.4	0.1
Klamath	22	8.5	8.3	0.2
Umatilla	24	8.6	9.5	-0.9
Hood River	25	8.7	8.9	-0.2
Baker	25	8.7	9.6	-0.9
Sherman	27	9.1	11.1	-2.0
Coos	28	9.3	8.2	-1.1
Wallowa	29	9.5	7.6	1.9
Grant	30	9.6	9.2	0.4
Morrow	31	11.1	14.0	-2.9
Wheeler	32	12.1	10.5	1.6

1/ Clackamas, Multnomah, Washington & Yamhill Counties
2/ Lane County
3/ Marion & Polk Counties
4/ Jackson County



NEW PUBLICATIONS

Oregon Wage Information - 1989 is designed to assist jobseekers, employers, career planners, and industrial developers seeking to attract new industry to the state. Wage data is one of the most sought after forms of labor market information. Drawing upon a wide variety of wage data sources, **Oregon Wage Information** contains wage rates for over 350 common occupations. More than 70% of all Oregonians working for wages or salaries in the private and public sectors work in these occupations.

Additionally, for comparative purposes, current and historical industry wage data are provided. It is important to consider industry wage rates because pay varies considerably between industries and for the same occupation within different industries. The main reason why average wages vary among industries is their different occupational staffing patterns.

To receive a copy of **Oregon Wage Information**, contact:

Employment Division-R&S
Attn: Susan Bell
875 Union Street NE
Salem, OR 97311
(503) 378-8657

An excellent source of information on nearly 7,000 Oregon manufacturing firms is the **Directory of Oregon Manufacturers**, published biennially by the Oregon Economic Development Department. The 1989-1990 edition, now available, is a must for marketing directors, purchasing agents, economists, sales managers, and many others who need specific information on Oregon's manufacturing companies. Information in the directory is arranged alphabetically, geographically, and by product and includes:

- company name
- address and phone number
- home office
- executives' names and titles
- products
- employment
- trade status

Copies of the **1989-1990 Directory of Oregon Manufacturers** are available at a cost of $60.

Other related reports recently published by the Oregon Economic Development Department are **Oregon-A Statistical Profile, 1988**; **County Economic Indicators, 1989**; and **Oregon's Largest Employers, 1989**.

The Statistical Profile contains basic information on key economic variables such as gross state product, population, employment, personal and per capita income, consumer price index, and international trade. Also included is an analysis of two of Oregon's primary industries, forest products and agriculture.

County Economic Indicators is a companion publication to the Statistical Profile and contains the most often requested county statistics plus a discussion of various sources of local area data.

Oregon's Largest Employers contains a listing of the largest 125 companies in Oregon, ranked by their number of employees. In addition to company name and current employment (in early 1989), this publication also lists each company's primary product or service and its parent company's name and home base city. An accompanying table showing only the state's top 10 companies contains some surprises. To obtain copies or further information on these or other related publications, please contact:

OR Economic Development Dept.
Attn: Publications
595 Cottage St. NE
Salem, Oregon 97310

or call (503)-373-1290

OREGON'S TOP 10 COMPANIES
(based on employment size)

	Product/Service	Employment
Fred Meyer, Inc.	Retail Department Stores	9,700
Tektronix, Inc.	Test & Measurement Instruments	9,000
Safeway Stores, Inc.	Grocery Stores	7,800
U.S. National Bank	National Commercial Bank	6,525
Kaiser Permanente	General Medical & Surgical Hospital	5,300
U.S. West Comm.	Telephone Communications	4,600
First Interstate Bank	National Commerical Bank	4,546
Kelly Services, Inc.	Temporary Employment Services	4,187
McDonald's Corp.	Fast Food Restaurants	4,100
Weyerhaeuser Co.	Forest Products	4,000

LMI LABOR MARKET INFORMATION

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JULY 1989

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

June	1989	5.3
May	1989	5.2
June	1988	6.0

United States (Seas. Adj.)

June	1989	5.3
May	1989	5.2
June	1988	5.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

June	1989	127.4
May	1989	127.0
Apr.	1989	126.8
Mar.	1989	126.9
Feb.	1989	126.4

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

May	1989	$10.83
Apr.	1989	$10.83
May	1988	$10.73

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

May	1989	39.6
Apr.	1989	40.4
May	1988	38.6

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
July-Dec. 1988	115.9
Yearly change	3.6%
Annual Average 1988	114.7
Yearly change	3.4%
United States	
June 1989	124.1
Yearly change	5.2%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

LET THE GOOD TIMES LAST!

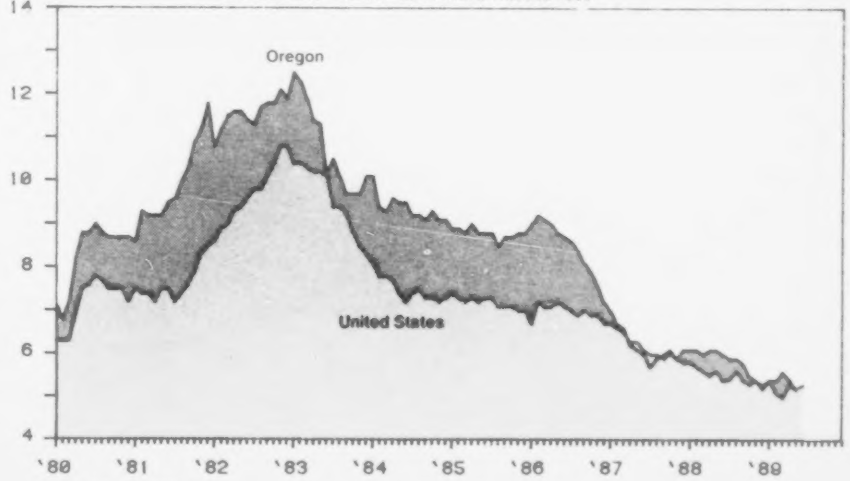
Jeff Hannum

Who would have thought that six and a half years after the current economic expansion began and nearly two years after the October 1987 stock market crash the U.S. and Oregon economies would still be growing?

Despite the fact that economic growth has weakened this year, especially at the national level, a number of economists still think the most likely scenario for the months ahead is a "soft landing" in which economic growth slows significantly, but no actual recession (i.e. two or more quarters of decline in real output) occurs. Even those economists who are expecting a recession in the near future generally agree that it would be a relatively short-lived and mild slump.

Whatever the future holds, no one really knows, but what is clear is that the Federal Reserve will play a major role through its management of the nation's monetary policy. The Fed's low interest rate, easy money policies prior to 1987 were instrumental in bringing the dollar's foreign exchange value down and helped set the stage for strong economic growth beginning in 1987. In order to prevent the economy from over-heating and re-igniting inflation, the Fed began to drive up interest rates in early 1987. When stock markets crashed around the world in October 1987, the Fed, in concert with foreign central banks, reversed itself and pump-primed the economy allowing interest rates to fall for several months. By March 1988, it was apparent that the danger of recession, or even a depression, was past and that inflation was again the main threat. At that time, the Fed returned to its credit-tightening stance causing interest rates to jump by about three percentage points over this past year.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

The result has been a significant slowdown in U.S. economic growth in recent months affecting construction activity, factory orders and output, and retail sales, especially for autos and other big-ticket consumer goods. Inflation, however, at both the producer and consumer goods levels, continued to flare up until just recently. In June, producer prices actually dropped slightly, and the U.S. Consumer Price Index for All Urban Consumers (CPI-U) rose only 0.2%, the smallest gain in 16 months. In response to these weak signals, the Federal Reserve, in a major policy shift, now appears to be easing interest rates lower once again. The problem with monetary policy, however, is that it has a powerful impact on economic activity, but only after an uncertain time lag of perhaps six months to as much as two years. For this reason, the nation's economy will no doubt continue to slow in the second half of 1989, and may even run aground in 1990.

Could it be that we are just enjoying the lull before the storm?

Since Oregon's economic performance is heavily influenced by national trends (nearly two-thirds explained, according to a recent Federal Reserve Bank study), it is not surprising that the state's economy has also shifted into a lower gear during the first half of 1989. Considering all the problems facing Oregon's number one industry, forest products, however, our economy has fared rather well. These problems include a long strike at one major forest products company, court injunctions barring old-growth timber sales, log exports, soaring timber and raw material prices, and the sharp run-up in interest rates over the past year. Could it be that we are just enjoying the lull before the storm?

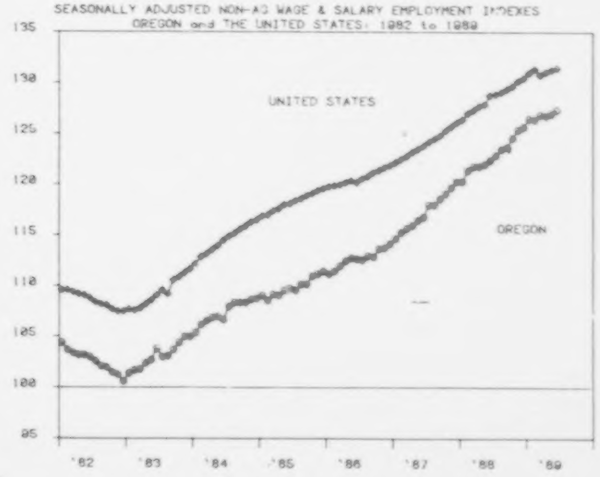
Normally, such an increase in interest rates alone would have taken a heavier toll on Oregon's economy by now. Instead, the state's seasonally adjusted unemployment rate has averaged only 5.4% during the first half of 1989. At this rate, 1989 will even eclipse last year's annual average of 5.8%-the lowest rate since the late 1960s. In addition, Oregon's employment level, overall, has never been higher. In fact, even if employment trends only adhere to normal seasonal patterns, i.e. no real growth, in the second half of this year, Oregon's nonfarm wage and salary employment would still average about 39,000, or 3.4%, higher than in 1988, itself a banner year.

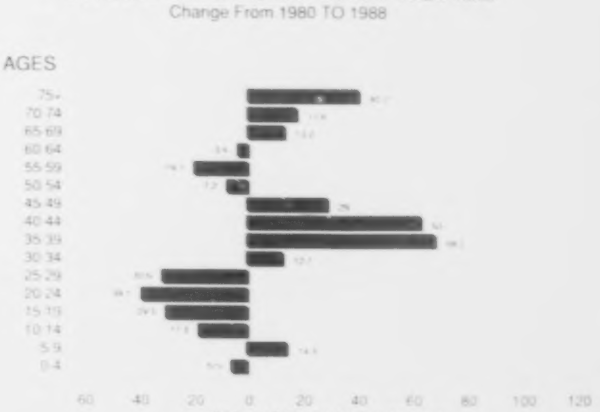
Applying this same assumption of no growth, just normal seasonal trends to all of the major industry categories during the second half of 1989 would also result in fairly strong annual average job gains over 1988 in most industries. Despite this year's higher interest rates, Oregon's construction industry, contrary to the national trend, would easily turn in the strongest performance with a nearly 10% gain in annual average employment in 1989. Solid gains would also be posted by various manufacturing industries (especially durable goods), transportation, trade, and services. Only two major industries, lumber and wood and food and kindred products, would show employment losses over the year. These, however, would be either very small (food products) or due almost entirely to a major labor dispute (lumber and wood) which was recently settled.

Current labor force statistics for Oregon covering the month of June also give no indication of an imminent recession, but do lend support to the "soft-landing" scenario of much slower growth ahead. The state's seasonally adjusted unemployment rate rose by one-tenth to 5.3% in June, matching the U.S. trend. Such a small monthly change, in either direction, has no statistical significance for either the state or nation. It is significant, however, that Oregon's seasonally adjusted unemployment rate has remained in a narrow 5.2% to 5.6% range over the past nine months. This indicates that despite somewhat slower job growth in 1989, Oregon's economy is still expanding fast enough to absorb an ever-growing labor force. In June, 1,475,800 Oregonians either had a job or were actively looking for one, an increase of about 47,000 over one year ago.

At first glance, the strong increase in Oregon's nonfarm wage and salary employment level in June (up 17,400 to 1,210,700) is reminiscent of last year's high growth rate, which placed Oregon third in the nation. Since this was 3,600 above the normal seasonal increase for June, Oregon's nonfarm employment index jumped four-tenths of a point to 127.4. Over 3,000 of this gain, however, was due to the return to work of Roseburg Forest Products workers after a four month strike. Discounting this fact means that June's employment gain mainly reflected seasonal expansion, not real economic improvement.

This same analysis explains the 4,900 increase in lumber and wood products employment in June. Although logging showed a normal seasonal increase of 900 over the month, logging employment of 12,400 was 600 below the average June level of the last six years. Court injunctions barring logging on federal old-growth forests in order to protect the viability of the northern spotted owl are no doubt the primary reason for this June's lower employment in logging.





RESIDENT OREGON LABOR FORCE

	JUN.[1] 1989	MAY[2] 1989	CHANGE	%CHANGE	JUN.[5] 1988
CIVILIAN LABOR FORCE	1,475,800	1,452,200	23,600	1.6	1,428,900
UNEMPLOYMENT	77,500	75,600	1,900	2.5	84,100
PERCENT OF LABOR FORCE	5.3	5.2	XXX	XXX	5.9
SEASONALLY ADJUSTED PERCENT	5.3	5.2	XXX	XXX	6.0
TOTAL EMPLOYMENT	1,398,300	1,370,600	21,700	1.6	1,344,800

Preliminary

Revised

Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.

Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.

Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	JUN.[1] 1989	MAY[2] 1989	JUN. 1988	MAY 1989	JUN. 1988
TOTAL	1,210,700	1,193,300	1,163,600	17,400	47,100
WAGE & SALARY EMPLOYMENT INDEX	127.4	127.0	122.4	XXX	XXX
TOTAL MANUFACTURING	221,600	211,400	215,500	10,200	6,100
DURABLE GOODS	161,500	155,200	156,300	6,300	5,200
LUMBER & WOOD PRODUCTS	69,600	64,700	68,500	4,900	1,100
LOGGING & SAWMILLS	35,300	33,300	35,300	2,000	0
VENEER & PLYWOOD	16,900	14,600	16,500	2,300	400
MILLWORK & STRUCTURAL WOOD	11,000	10,800	10,800	200	200
MOBILE HOMES	1,800	1,800	1,600	0	200
OTHER WOOD PRODUCTS	4,600	4,200	4,300	400	300
FURNITURE AND FIXTURES	2,800	2,800	2,800	0	0
STONE, CLAY, GLASS & CONCRETE	4,600	4,500	4,200	100	400
PRIMARY METALS	11,200	10,800	10,300	400	900
BLAST FURNACES, IRON & STEEL	6,600	6,400	6,000	200	600
NONFERROUS METALS	4,600	4,400	4,300	200	300
FABRICATED METALS	11,200	11,200	10,900	0	300
FABRICATED STRUCTURAL METALS	4,700	4,700	4,500	0	200
OTHER FABRICATED METALS	6,500	6,500	6,400	0	100
MACHINERY	18,600	18,300	16,900	300	1,700
ELECTRICAL EQUIPMENT & SUPPLIES	16,600	16,400	15,200	200	1,400
TRANSPORTATION EQUIPMENT	11,500	11,500	11,500	0	0
INSTRUMENTS & RELATED PRODUCTS	11,500	11,400	12,000	100	-500
MISCELLANEOUS MANUFACTURING	3,900	3,600	4,000	300	-100
NONDURABLE GOODS	60,100	56,200	59,200	3,900	900
FOOD & KINDRED PRODUCTS	24,400	21,100	24,400	3,300	0
CANNING & PRESERVING	12,800	9,700	13,100	3,100	-300
OTHER FOOD PRODUCTS	11,600	11,400	11,300	200	300
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	-100
APPAREL	2,600	2,600	2,700	0	-100
PAPER & ALLIED PRODUCTS	9,300	8,900	9,000	400	300
PRINTING & PUBLISHING	13,700	13,700	13,500	0	200
CHEMICALS & ALLIED PRODUCTS	2,400	2,300	2,200	100	200
PETROLEUM REFINING	600	600	600	0	0
RUBBER & PLASTIC PRODUCTS	4,900	4,800	4,500	100	400
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	989,100	981,900	948,100	7,200	41,000
MINING & QUARRYING	1,600	1,500	1,400	100	200
CONSTRUCTION	44,400	43,200	40,200	1,200	4,200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	63,600	62,900	60,700	700	2,900
TRANSPORTATION	41,500	41,000	39,100	500	2,400
RAILROAD	3,800	3,900	3,900	-100	-100
TRUCKING & WAREHOUSING	22,900	22,500	22,100	400	800
OTHER TRANSPORTATION	14,800	14,600	13,100	200	1,700
COMMUNICATIONS	12,900	12,800	12,700	100	200
UTILITIES	9,200	9,100	8,900	100	300
TRADE	307,500	304,000	292,000	3,500	15,500
WHOLESALE TRADE	77,800	76,700	72,100	1,100	5,700
DURABLE GOODS	45,700	45,100	42,300	600	3,400
NONDURABLE GOODS	32,100	31,600	29,800	500	2,300
RETAIL TRADE	229,700	227,300	219,900	2,400	9,800
GENERAL MERCHANDISE	28,400	28,000	27,200	400	1,200
FOOD STORES	39,400	39,100	36,300	300	3,100
AUTO DEALERS & SERVICE STATIONS	28,200	28,200	28,500	0	-300
OTHER RETAIL TRADE	133,700	132,000	127,900	1,700	5,800
FINANCE, INSURANCE, & REAL ESTATE	75,200	75,100	74,400	100	800
BANKING & CREDIT AGENCIES	23,500	23,500	23,900	0	-400
OTHER FINANCE, INSURANCE, & REAL ESTATE	51,700	51,600	50,500	100	1,200
SERVICES	273,600	273,200	260,400	400	13,200
HOTELS & PERSONAL SERVICES	29,200	28,400	29,100	800	100
HEALTH SERVICES	83,400	82,100	77,500	1,300	5,900
OTHER SERVICES	161,000	162,700	153,800	-1,700	7,200
GOVERNMENT	223,200	222,000	219,000	1,200	4,200
FEDERAL GOVERNMENT	32,700	31,700	32,800	1,000	-100
STATE GOVERNMENT	61,500	60,500	60,500	1,000	1,000
EDUCATION	25,800	25,700	25,600	100	200
OTHER STATE	35,700	34,800	34,900	900	800
LOCAL GOVERNMENT	129,000	129,800	125,700	-800	3,300
EDUCATION	80,700	82,500	78,600	-1,800	2,100
OTHER LOCAL	48,300	47,300	47,100	1,000	1,200
LABOR–MANAGEMENT DISPUTES	300	3,600	2,400	-3,300	-2,100

Preliminary

Revised

Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

Despite these restrictions, however, sawmills and planing mills added 1,100 more workers, boosting sawmill employment to 22,900, the highest June level since 1980. Most of this increase was due to returning strikers. Lumber and wood products employment, overall, was 1,100 above a year ago, but this also is misleading since 2,400 woodworkers were involved in labor disputes last June.

Unfortunately for Oregon, the "timber summit" involving federal forestry officials, representatives of the timber industry and environmental groups, and key Oregon elected officials came and went in late June with no final agreement on the complex and interrelated issues of timber supply and protection of old-growth forests and the spotted owl. It is possible, however, that the "summit" process and subsequent negotiations will yield at least a temporary legislative solution to the current impasse. In late July, the U.S. Senate will consider an amendment by Senator Mark Hatfield to an Interior Department appropriations bill. Key provisions of this amendment will address federal timber sales volume in the FY 89-90 period (8 billion board feet by the Forest Service in Region 6 and 2 billion board feet by the BLM, a 10% reduction from the amount the agencies had planned to sell); old-growth and spotted owl protection measures; and proposed agreements which would satisfy all parties to the lawsuits. If agreements are not reached on release of the injunctions, "then timber sales will be identified by the Forest Service and the BLM (using the criteria and in consultation with Fish and Wildlife, and the advisory boards) and sold notwithstanding any stay, restraining order, or injunction." In addition, "all restraining orders, injunctions, or voids of sale with respect to timber sales will be prohibited for FY 90."

Whether this amendment is finally adopted by Congress remains to be seen. In any event, the whole controversial issue of timber harvests versus protection of old-growth forests and spotted owls seems to be entering a new, legislative phase.

Although timber-related problems seem to dominate the news, other sectors of Oregon's economy are doing quite well. Elsewhere in manufacturing, strength was widespread as no industry recorded job losses in June. Durable goods manufacturing industries, excluding lumber and wood products, was the star performer in June, adding 1,400 new workers, or 1,000 more than seasonally expected. Many of the metals firms, in particular, are running flat out supplying the booming Boeing Company which has the biggest order backlogs of any company in the world. The only sobering factors in other durable goods manufacturing in June were completion of the rocket launch towers project in Astoria (fabricated metals) and the virtual closure of a Caterpillar plant in Polk County (machinery).

In nondurable goods manufacturing, the food processing season got underway in June reflecting the start of strawberry and cherry harvesting. Employment in canning and preserving rose by 3,100, and the number of farm workers soared by nearly 26,000 over the month.

Farmers, in general, should fare well this year judging by the adequate water supplies and the June 1989 index of prices received by Oregon farmers. Compared with a year ago, prices for all farm products are up 8%, while crop prices are 12% higher, and livestock products bring 3% more.

Strawberry growers may be the exception, however. The latest forecast of strawberry production in Oregon for 1989 is 66 million pounds, 35% less than in 1988 and 29% below 1987. This primarily reflects a sharp drop in strawberry acreage from 7,800 in the last couple of years, to only 6,000 acres in 1989. Uncertainty over the availability and cost of farm labor was probably a key reason for this decline. Average yield per acre is also expected to be down this year due to last February's severe freeze.

. . . the current labor market has, in effect, set the real "minimum wage" somewhere between $4.00-4.50 per hour.

The paper industry continued to operate at near capacity in June, adding 400 more workers, some of whom may have been hired as vacation replacements. Although pulp and paper mills are running full tilt, the price of wood chips has soared over the past year, sharply reducing the industry's profitability. At some point, if more lumber, plywood, or veneer mills shut down, the reduced availability and higher cost of wood chips could begin to force layoffs in the paper industry where the average worker earns close to $40,000 per year.

In nonmanufacturing, most of the major industries fell short of their normal June employment gains, but were up strongly from one year ago. Construction, in particular, is having a banner year in 1989 despite much higher interest rates. Although a few major construction and repair projects were winding down in June, construction employment is expected to average about 10% higher this year compared with 1988. Heavy construction is doing particularly well, but so are other sectors, including residential building.

Nationally, higher mortgage interest rates are expected to lower 1989 housing starts by about 5%. In Oregon, however, the number of residential units authorized by building permits over the first five months of 1989 is up 67% over the same period in 1988. The bulk of this increase reflects a surge in multi-family units (+241%), especially in the Portland area, but even single-family units are running over 13% ahead of last year's pace. The value of all residential construction permits issued through May, including alterations, is 34% higher, and the value of all non-residential construction permits is up over 15% year-to-date.

One of the main reasons for Oregon's booming residential activity is the state's healthy economy. This appears to be generating much stronger population in-migration and less out-migration in 1989 than in any other year since the late 1970s. Migration data from a sample of moving companies covering the first half of 1989 compared with the same period last year indicates that the number of moves out of Oregon has declined by 29% (968 to 689) while the number of moves into Oregon jumped by 31% (1,652 to 2,156). The percent of all moves that were into Oregon, therefore, rose from 63% in 1988 to 76% so far in 1989.

Strong population growth is no doubt also a factor behind Oregon's 47,000 labor force increase over the past year. Higher labor force participation rates, especially for women and youth already resident in the state, has probably been a key factor also.

Even with this strong growth in Oregon's work force, labor shortages continue to be a growing problem in many occupations and local areas in Western and Central Oregon. Spot checks with a number of local Employment Division offices in late June indicate that skill shortages and/or plentiful job opportunities exist in many occupational categories. In fact, the strong economy in combination with demographic trends which show a sharp decline in the number of young, entry-level workers during the 1980s (see accompanying population chart) have created perhaps the best-ever job market opportunities for many disadvantaged groups. These include minorities, disabled persons, ex-offenders, public assistance recipients, and others.

Two kinds of labor shortages exist. The first category includes a whole range of relatively low-pay, low-skill jobs primarily found in the services and trade industries. Many local Employment Division offices report that jobs paying less than $4.00-4.50 per hour are very difficult to fill. This means that the current labor market has, in effect, set the real "minimum wage" somewhere between $4.00-4.50 per hour. Employers still offering the current legal minimum wage of $3.35 are either unable to find enough workers or are experiencing a high rate of labor turnover. Although the labor market is already well ahead of the law on this issue, Oregon's legal minimum wage is scheduled to increase to $3.85 on September 1, 1989; to $4.25 on January 1, 1990; and to $4.75 on January 1, 1991.

The second category of labor shortages is more difficult to resolve and reflects strong demand for a limited supply of more highly-skilled, multiskilled, and educated workers. Although pay and benefits are often quite attractive, there are simply not enough qualified workers to go around. Occupations in this category include all types of skilled construction trades, mechanics, millwrights, health care professionals such as registered nurses, experienced secretaries and administrative support staff, accountants, cooks, and others. The solutions to these kinds of shortages are more complex than merely raising the pay. They would include population in-migration of skilled workers; increased funding and emphasis on education and vocational training, both in the schools and on the job; better labor market information, especially on career paths, opportunities, and job openings; improved integration of educational and job training programs; and higher labor productivity, to name just a few.

To sum up, Oregon's economy at mid-year is still alive and well despite signs that the national economic expansion is reaching old age. Although the Federal Reserve is now focusing monetary policy more on preventing a recession by fostering lower interest rates and easing credit conditions, the national and state economies are likely to grow weaker in the next 6 to 12 months due to the long time lags between policy changes and their impacts on economic activity. Probably the biggest problem facing Oregon in the short-term, however, is the gridlock, or impasse, over federal forest management policies affecting the volume of timber sales and the protection of old-growth forests and the spotted owl. At least for now, employment is at an all-time high and the unemployment rate has stabilized in the low 5% range.

One year ago, I wrote an article for this publication entitled "Let The Good Times Roll!" Now, having seen the awesome power of my words come to pass, I will simply say "Let The Good Times Last!" ☐

THE OREGON STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT

Duncan Wyse

(Editor's note: Duncan Wyse is the Manager of the Policy and Strategic Planning Office at the Economic Development Department.)

On May 19, Governor Goldschmidt released Oregon Shines: An Economic Strategy for the Pacific Century. This report marks the beginning of a long-term effort to build a prosperous, diverse economy in Oregon, capable of competing effectively in the international marketplace.

An article in the April 1989 **Oregon Labor Trends** described the economic, technological, demographic, and institutional challenges to be confronted in the strategic economic development plan. It summarized weaknesses in our economy and performance, but revealed that, overall, Oregon is blessed with good foundations and is well-positioned for economic growth and diversification. This article outlines six strategic initiatives to take advantage of these opportunities.

The strategic plan initiatives include key areas in which Oregon can distinguish itself as an advanced economy:

1. Educate and train a superior workforce, measurably equal to any in the world by 2010;
2. Maintain and enhance Oregon's quality of life, our natural environment and uncongested cities, to attract the people and firms that will drive an advanced economy;
3. Create an international frame of mind in Oregon's business and cultural life that distinguishes Oregonians as unusually adept in global commerce.

These initiatives alone are not enough, however. They depend on the development of a generally favorable economic climate through a set of support initiatives:

1. Form institutional partnerships among business, labor, government, education, environmental and other groups;
2. Invest in public facilities and services which help businesses run more smoothly and enhance the quality of the human environment;
3. Contain costs of doing business in areas where improvements can be made consistent with delivery of quality government services.

The first key economic development initiative is improvement of workforce quality, an extremely complex issue. With increasing international economic integration, Oregon will face greater foreign competition. Our businesses will need well-trained, productive, highly adaptable and trainable workers. The alternative is to compete with developing countries which rely on low skill, very low wage labor. At the same time, the proportion of students coming from backgrounds traditionally at high risk of failure in our school system will increase dramatically. Also, as the Oregon economy changes many employees in jobs at all skill levels will require retraining or skills upgrading. The report proposes a set of programs to improve Oregonians' development, education, and training. Proposals will build effective programs by including and coordinating the efforts of parents, schools, social service and other government agencies, businesses, community organizations, and other groups. Specific programs range from parenting classes and early childhood development, to curriculum reforms which effectively impart to all students fundamental skills needed for work and lifelong learning, to stronger business-education links and more responsive continuing education programs.

The second key initiative is preservation and enhancement of Oregon's environmental quality. As businesses become less dependent on local raw materials and markets, qualities of environment and life will become more important in business location decisions. Oregon has much to offer. Our amenities include not only natural resources and recreation activities, but also attractive, uncongested cities. Report proposals build on strong existing efforts to foster and use both types of amenities. Proposals include: integration of land use, transportation, and housing planning for more effective urban growth management; extension and coordination of state natural resources management for multiple uses; targeted air, water, and hazardous waste programs to augment an excellent existing environmental management system; and further streamlining of environmental regulatory processes (e.g. development permit approval and wetlands designation) consistent with environmental quality goals.

The third key initiative is building international trade and culture in Oregon. Dramatic growth of international trade and competition is the overriding trend affecting the Oregon economy. Merchandise exports and imports have grown from less than 10 percent of U.S. GNP in the early 1970s to about 15 percent today. U.S.-Pacific Rim trade grew from $69 billion in 1978 to $215 billion in 1987. This trend is both a competitive challenge and new market opportunity for Oregon, particularly in rapidly growing east Asian economies. The report proposes that Oregon pursue an international strategy based on its greatest strength and most important resource -- its people. The plan suggests that Oregon emphasize world language and culture curriculum at all school levels and person-to-person interactions to promote international trade. The plan concludes that from direct personal interrelations will come understanding, the sharing of ideas and experiences, and ultimately strong business connections for trade, investment, and tourism.

The report also identifies a set of support initiatives which define a program to improve Oregon's overall business climate. First, the report suggests that investment in quality government services and public facilities be a key goal for the state. These activities contribute both to the ability of businesses to operate and productivity growth generally, and to the quality of life for Oregon employees. Our reputation for high quality government facilities and services has been tarnished in the 1980s. State and local governments disinvested during the 1980-82 recession, and slow recovery and an unresponsive tax system have prevented them from making up lost ground. The report proposes analysis of the ability of both state and local governments to meet existing and emerging needs, and recommends revision of the "2 percent kicker", the state expenditure limitation, and the 6 percent limitation on local government revenue growth. The report concludes that we must find ways to more closely link state and local expenditures with needs generated by economic growth. It also proposes development of a long-term government financing strategy which includes in planning and budgeting decisions the economic benefits associated with specific improvements and the cost of foregone maintenance.

The second support initiative is containment of the cost of doing business in Oregon. Controlling business costs has always been important to business. It is becoming increasingly important as they are exposed to fiercer international competition and face shrinking profit margins. Oregon will never be the lowest cost state for doing business because we value important government services, including schools, utilities, and environmental quality programs. The state can, however, take a number of important steps to reduce business costs in a manner consistent with these values. Specific proposals include reduction of workers' compensation costs and unemployment insurance rates through better management, review of health care costs, analysis and recommendations regarding the structure and effects of Oregon tax policy, and conservation and rate restructuring programs to preserve Oregon's comparative advantage in energy costs.

Finally, the report concludes that to build a competitive economy, Oregon must develop strong partnerships among the various sectors of our economy. There is no longer any question that advanced economies derive a competitive advantage from their institutional partnerships. The strategic planning process has demonstrated that strengthening ties between Oregon industry, labor, education, government, and the environmental movement will enhance competitiveness. Our goal is to lead the nation in building partnerships which promote economic development. Important new partnerships are proposed throughout the report, including the creation of the Oregon Progress Board to review and discuss the strategic plan broadly with Oregonians; the strengthening of partnerships between schools, government, and key industry sectors through the Economic Development Department and the Science Council; and the strengthening of local government, especially in rural communities to pursue economic opportunities (through the Regional Strategies Program and a newly-created Oregon Partnerships Program). These are simply examples of a broader point: to build our economic future, we must instill a culture of cooperation in Oregon among all sectors.

In addition to these broad initiatives, the report contains a number of significant recommendations for improving the business climate of particular industries. The report is not a detailed plan for government-directed re-industrialization. Nor does it precisely forecast Oregon's future industrial structure. The pace and turbulence of change in the international economy dictate against such a strategy. Instead, the report proposes actions to support the state's largest base manufacturing industries and several newly-emerging fields which show growth potential. Specific recommendations reflect the overall tone of the report, including workforce training, development of institutional partnerships, business cost containment, and quality of life themes. Among other recommendations, this section of the report includes: improved management assistance and institutional support for small businesses; increased productivity and value added to Oregon agricultural and forest products exports; education and research support for Oregon's plastics, high technology, software, biotechnology, and metals industries; financing and organizational support of film and video producers; and increased product development and marketing efforts for Oregon's visitor industry.

The report is the state's first strategic plan for economic development. It is a living document, the beginning of a process to strengthen Oregon's institutions and make them more responsive in an era of continuing change. The report represents the thoughtful, determined work of over 180 Oregonians. Our ability to act on its proposals and achieve these economic goals will depend on the inclusion and continuing efforts of many more individuals and groups across the state. To carry the effort forward, the report proposes creation of an Oregon Progress Board. The Board will review the plan with Oregonians, recommend further refinements of these strategic initiatives, and develop key measures to chart our progress over the next 20 years. The Oregon Legislature has endorsed the Board overwhelmingly, creating the Board in statute.

The complete 210 page report is available at $10 per copy, and summaries of the report are available free of charge. Either can be ordered through the Economic Development Department (378-2281).

First, it proposes six strategic initiatives and within them recommends over 200 immediate actions. These recommendations address issues ranging from individual industry competitiveness to education and environmental programs which will directly affect every Oregonian. Second, during the coming months the Economic Development Department will present the report to business, community and other groups, and citizens statewide and solicit suggested plan modifications and other policy directions. Third, the report proposes the creation of an Oregon Development Board to further define the strategic plan in response to citizen comment and its own analysis, and to measure and report Oregon's progress toward development goals. To carry out its analysis, the Board will establish work groups of internal staff and outside experts to study critical economic development issues, and will identify emerging issues for future study.

In summary, Oregon's first strategic plan for economic development proposes that the state can best compete and meet the challenges of the 21st Century by seeking a superior work force, an attractive quality of life, and an international frame of mind. It also outlines steps for achieving this vision including forming institutional partnerships, investing in public facilities and services, and containing the costs of doing business. ☐

OREGON RECEIVES FUNDS TO HELP DISLOCATED WORKERS

Kim Dunn

Oregon has received $1 million from the Secretary of Labor's Discretionary Funds to supplement the assistance the state provides to wood products industry workers who have lost their jobs. The funds will be administered by the Oregon Economic Development Department's Job Training Partnership Act Administration (JTPA).

These funds will enable JTPA to provide retraining, job search assistance, and support services to approximately 400 additional persons. Workers may be eligible for services if they have been, or are about to be, layed off from a company in the forest or wood products industry.

The project will operate from July 1, 1989 through December 31, 1991 through local private industry councils across the state. Funding is currently inadequate to help the number of workers dislocated by timber industry shutdowns.

The projected shortfall of timber supply threatens a long-term loss of 5,000 to 10,000 industry jobs in Oregon. Most of the job losses are expected to occur in logging, sawmill, and plywood mill operations in Southwestern Oregon and the Willamette Valley. The announced layoffs to date total nearly [illegible]000. Many of those people are already receiving assistance through the state's various dislocated workers programs.

Spokespersons from the JTPA Administration have stated that if these discretionary funds are inadequate to assist the increasing number of workers needing retraining services, the state may apply for additional Department of Labor discretionary funds later this year.

This $1 million grant is part of a distribution to nine states totalling $4,794,010 announced by Secretary of Labor Dole. All funds will be used for assistance to dislocated workers displaced because of mass layoffs and plant closures. ☐

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	May[2] 1989	Apr.[3] 1989	May 1988	May[2] 1989	Apr.[3] 1989	May 1988	May[2] 1989	Apr.[3] 1989	May 1988
TOTAL MANUFACTURING[4]	$428.87	$437.53	$414.18	39.6	40.4	38.6	$10.83	$10.83	$10.73
Durable Goods	434.51	446.08	421.20	39.9	41.0	39.0	10.89	10.88	10.80
Lumber & Wood Products	437.70	452.10	416.64	39.9	41.1	38.4	10.97	11.00	10.85
Logging & Sawmills	476.40	491.23	442.64	39.7	40.8	37.8	12.00	12.04	11.71
Veneer & Plywood	423.23	455.14	414.57	40.5	43.1	39.0	10.45	10.56	10.63
Millwork & Structural	357.98	362.10	349.16	39.6	40.1	39.1	9.04	9.03	8.93
Mobile Homes	336.42	307.02	333.06	38.1	35.7	39.0	8.83	8.60	8.54
Other Wood Products	423.53	434.28	402.87	41.0	42.0	39.0	10.33	10.34	10.33
Furniture & Fixtures	344.42	304.09	333.50	38.1	35.4	38.6	9.04	8.59	8.64
Primary Metals	506.60	520.22	505.40	42.5	43.1	41.7	11.92	12.07	12.12
Fabricated Metals	387.54	391.93	379.94	38.6	38.5	38.3	10.04	10.18	9.92
Machinery (Ex Electrical)	466.99	465.79	435.90	41.0	41.7	39.2	11.39	11.17	11.12
Nondurable Goods	412.93	413.70	391.65	38.7	38.7	37.3	10.67	10.69	10.50
Food & Kindred Products	342.16	339.84	319.59	37.6	37.1	36.4	9.10	9.16	8.78
Canning & Preserving	278.08	279.84	257.21	35.2	35.2	34.9	7.90	7.95	7.37
Other Food Products	419.58	414.36	396.02	40.5	39.5	38.3	10.36	10.49	10.34
Textile Mill Products	250.98	244.64	236.31	36.8	34.7	34.7	6.82	7.05	6.81
Apparel	253.24	256.03	228.60	38.9	38.5	36.0	6.51	6.65	6.35
Paper & Allied Products	679.80	681.86	636.23	44.0	44.8	41.1	15.45	15.22	15.48
Printing & Publishing	417.24	426.39	416.90	36.0	36.6	34.8	11.59	11.65	11.98
Construction[4]	551.38	563.26	497.33	38.0	38.5	34.9	14.51	14.63	14.25
Communications & Utilities[5]	558.18	571.30	544.99	41.5	42.1	41.1	13.45	13.57	13.26
Trade[5]	314.86	328.42	300.82	34.6	35.2	33.8	9.10	9.33	8.90
Wholesale Trade	415.42	434.07	403.13	37.8	39.0	37.5	10.99	11.13	10.75
Retail Trade	263.01	272.90	248.50	33.0	33.2	31.9	7.97	8.22	7.79
Banking & Insurance[5]	358.33	371.50	328.70	37.6	38.9	36.2	9.53	9.55	9.08
State & Local Government	380.21	384.22	363.38						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

EMPLOYERS' CORNER - ADULT EDUCATION AND LITERACY

Dorothy Monnier

Adult education is a field in transition. It is experiencing rapid growth as a result of social, demographic, economic, and technological factors. Several goals and issues emerge from this context:

- Increasing the literacy rate among adult Americans
- Providing training and retraining programs for adults
- Identifying and exploring issues related to the use of technology in adult education
- Improving access to educational programs for adults
- Increasing knowledge related to how adults learn.

The above goals and issues are incorporated in the Oregon State Plan for Adult Education and Literacy developed by the Oregon Office of Community College Services and the Oregon Adult Education and Literacy Advisory Committee.

EXTENT OF THE PROBLEM

Oregon has traditionally been one of the most literate states in the nation. Although getting an exact number of illiterate people is far less important than just recognizing the existence of the problem, a recent national survey entitled Measure of Adult Education Proficiency estimates that 8% of Oregon adults, age 20 or older, are illiterate versus 13% nationally. They cannot read well enough to perform everyday tasks such as interpreting a bus schedule, filling out a job application, or filling in the income tax short form. This translates to over 150,000 persons according to the 1980 Census. According to the census, an estimated 463,030 (or 24%) adult Oregonians are out of school and did not complete high school. Of these, 181,769 have not completed the 8th grade (12.5%). The 1987 dropout rate from Oregon high schools was approximately 27% (versus 29% nationally). Although there is no direct correlation between literacy level and years of school completed, there is a correlation between lifetime earnings and years of school completed.

Oregon's adult illiteracy rate is impacted by immigrants from Southeast Asia and workers legalizing under the Immigration Reform and Control Act. The ethnic mix in Oregon's programs in 1987-88 was as follows: 2% American Indian, 11% Asian, 2% Black, 19% Hispanic, and 66% Caucasian. Since the 1980 Census, approximately 280,000 Oregon adults have received literacy training either through community colleges or through Oregon Literacy, Inc., a non-profit volunteer association. A total of 63,587 GED certificates and 6,159 Adult High School Diplomas were issued in 1980 through 1988. Community college Adult Basic Education programs and Oregon Literacy, Inc. can provide local coalition groups with the numbers served in each area. However, with a 27% dropout rate, it is not anticipated that the 1990 Census will show much of a decrease in the number of undereducated Oregonians.

LITERACY AND ECONOMIC DEVELOPMENT

Oregon's recent high unemployment rates have impacted the undereducated, crowding them out of jobs. As the economy continues to expand and the number of young, entry-level workers declines further reflecting low birth rates in the late '60's and early '70's, employers will be forced to hire further down the unemployment queue. This will affect both productivity and wages. Adequately skilled and educated employees to fill entry-level jobs will be harder to find. Basic skills training will become increasingly important to economic development.

LEGISLATION

In 1987, the legislature passed HB 2682 encouraging the formation of local literacy coalitions to coordinate and articulate available services. In 1989, the State Advisory Committee on Adult Education and Literacy is requesting funds to continue the Oregon Literacy Line which is currently being maintained through private donations and VISTA volunteers. Also requested is an increase in staff development and resource development for volunteer tutors in adult literacy. Higher visibility for adult literacy services through the literacy line and the expansion of literacy services by using well-trained volunteers have been identified as priorities by groups impacted by the 35% increase in literacy students in the past two years. ☐

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AUGUST 1989

OREGON LABOR TRENDS

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)		
July	1989	5.2
June	1989	5.4
July	1988	5.9

United States (Seas. Adj.)		
July	1989	5.2
June	1989	5.3
July	1988	5.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)		
July	1989	127.4
June	1989	127.2
May	1989	127.0
Apr.	1989	126.8
Mar.	1989	126.9

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
June	1989	$10.82
May	1989	$10.84
June	1988	$10.61

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
June	1989	39.8
May	1989	39.6
June	1988	39.3

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan.-June 1989	119.3
Yearly change	5.0%
Annual Average 1988	114.7
Yearly change	3.4%

United States	
July 1989	124.4
Yearly change	5.0%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

LUMBER UPDATE, SLOWING IN SERVICES, AND HELP WANTED

Graham Slater

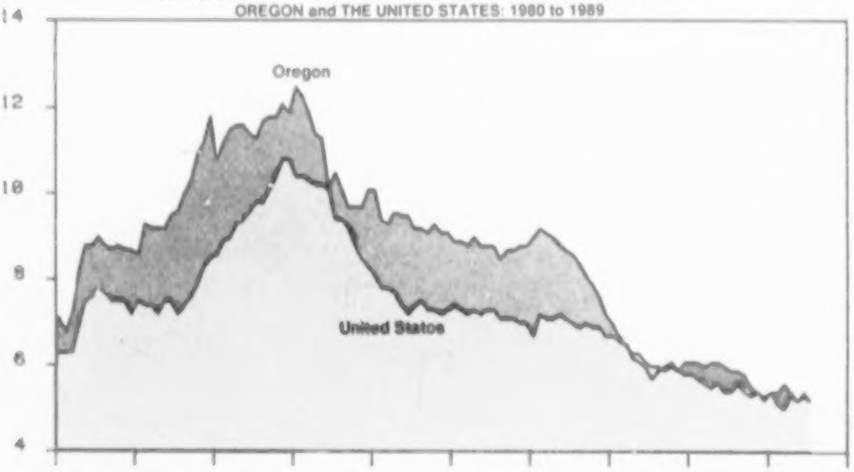
Much has been written about conflicts in the lumber industry and the resulting mill closures and layoffs. Less is known about the dramatic slowdown in services growth. And the problem posed by a labor shortage has been the last thing on Oregonians' minds over the past ten years. But all three of these issues have had a significant and increasing effect on Oregon's employment situation over the past twelve months. This article will investigate the first two as part of the general overview of the July statistics, and will conclude with a review of the third.

Oregon's seasonally adjusted unemployment rate fell to 5.2% in July, the same level as the national rate. This marks the tenth consecutive month that Oregon's rate has remained within a narrow 5.2% - 5.6% range. While education employment took the expected "end of school year" plunge (down more than 26,000), total employment managed a net increase of 5,900, with many jobs snapped up by students entering the summer labor force. Data from the national Current Population Survey indicated that few students moved from school to unemployment, as most went right to work.

Nonagricultural wage and salary employment (based on a monthly survey of about 6,000 Oregon employers) also reflected the July education losses, falling by 16,900. On the bright side, the drop was 1,800 fewer than seasonally expected, as a variety of durable goods manufacturing industries, trade, and services exceeded seasonal norms.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*

OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

The Lumber Update

Oregon's lumber & wood products industry added 700 employees in July, slightly above the normal June-July increase. Most activity came in logging (+500) with other areas stable in spite of several ongoing closures.

Let's digress briefly to analyze the industry's performance over the past year, starting by making it clear that this article will not be discussing the causes and effects of log shortages, court injunctions, environmental concerns, log exports, mill modernization, or other factors. In the early months of 1989, the lumber industry was facing devastation from thousands of layoffs or no impact at all, depending on who was conducting the analysis. Those who took a middle ground managed to displease both sides, but they have thus far been proved right. Oregon's lumber & wood products industry now provides fewer jobs than it did a year ago, but not to the extent feared. When the impacts of labor disputes are considered, the number of lumber jobs has dropped a little over 1,500 since last July. Furthermore, this has occurred over a period in which interest rates have increased significantly and national housing starts have declined by about 5%.

An accompanying table lists all lumber closures formally announced in published sources, largely the news media. These closures cover the twelve months starting July 1, 1988 and indicate that a little over 4,000 lumber employees have either been affected, or might be affected, by mill closures or cutbacks. However, a universe phone survey of all firms on the list (conducted in early August 1989) indicated that only 2,645 jobs had actually been lost to that date. Tying this information with the overall lumber employment picture suggests that operating lumber mills have experienced some growth which, in part, has compensated for the layoffs resulting from closures.

Since 1972, logging employment has ranged from a low of 10,100 (1982) to 13,700 (1974) on an annual average basis. The most recent high was 12,800 in 1984. So far in 1989, logging has been averaging 900 jobs fewer than the comparable 1988 level, suggesting that this year's average will fall to around 11,600, the lowest since 1982. Indeed, July's level of 12,900 was the lowest since that year.

Sawmills, with 15 documented closures or curtailments, has surprisingly dropped only 200 employees (out of more than 23,000) compared with last July. (The 200 loss is reached by removing the effect of labor disputes for both years.) In addition, a projected 22,600 annual average for 1989 will rank with the best years since before the recession! Further analysis of the 102 sawmills in our monthly survey shows that 56 have added employees over the past year, while 34 now offer fewer jobs.

Oregon's veneer & plywood industry has also experienced several shutdowns in the past 12 months, nine to our certain knowledge. Employment has also been severely affected by labor disputes both in mid-1988 (1,400) and early-1989 (2,100). Aside from strikes, employment in July stood 1,100 below the year ago level. Employment is projected to average 15,600 in 1989, a substantial drop from the 1988 level of 17,200.

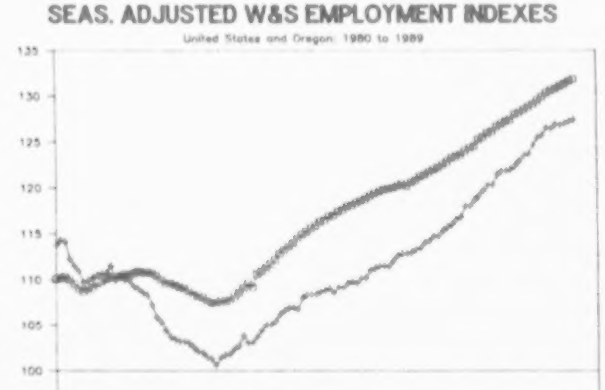
Millwork is the one major component of the lumber industry where employment appears relatively unscathed by the industry's problems. Employment growth slowed in 1988, but has picked up in 1989, with an estimated increase of almost 5% for the year as a whole. Employment in both June and July stood at 11,000, the highest level on record.

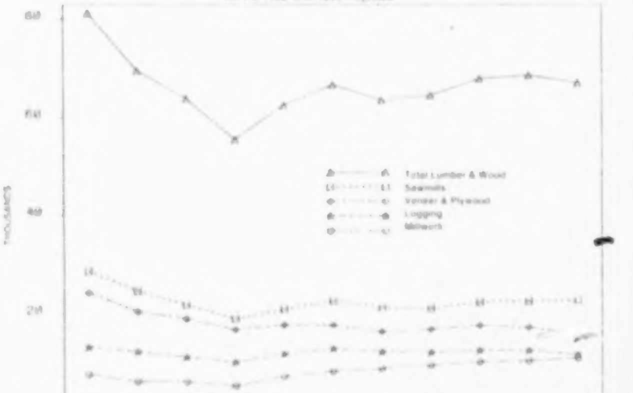
Mobile homes, the smallest of Oregon's wood industries with 1,800 employees, is enjoying a moderate resurgence. Employment grew by 200 in 1988, and an additional 200 are expected during 1989.

Moving on to other manufacturing industries, July was an excellent month for several durable goods producers. Primary metals employment climbed to 11,500, the highest level since early 1980. Electronic equipment & supplies and transportation equipment each added 300 jobs, both resulting from widespread job growth throughout the industries. Nondurable goods manufacturing experienced a very quiet month, the only action coming with a predictable 1,600 increase in food & kindred products.

Construction employment added 800 jobs in July, less than half the expected number. However, with employment running more than 4,000 ahead of year ago levels, it is entirely possible that those jobs normally added in July were added many months ago. Residential contractors added 400 while the completion of a couple of major projects reduced nonresidential jobs by the same amount. Overall, construction employment (45,800) registered its best July since 1980. Average construction employment in 1989 appears headed for the 43,000 range, an annualized increase of 10.0% over 1988.

Trade employment grew by more than twice the normal seasonal amount, with 800 new jobs in wholesale and





RESIDENT OREGON LABOR FORCE

	JUL.[1] 1989	JUN.[2] 1989	CHANGE	%CHANGE	JUL.[5] 1988
CIVILIAN LABOR FORCE[3]	1,480,900	1,475,500	5,400	0.4	1,437,000
UNEMPLOYMENT	77,300	77,800	-500	-0.6	84,900
PERCENT OF LABOR FORCE	5.2	5.3	XXX	XXX	5.9
SEASONALLY ADJUSTED PERCENT	5.2	5.4	XXX	XXX	5.9
TOTAL EMPLOYMENT[4]	1,403,600	1,397,700	5,900	0.4	1,352,100

[1] *Preliminary*

[2] *Revised*

[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*

[4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*

[5] *Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	JUL.[1] 1989	JUN.[2] 1989	JUL. 1988	JUN. 1989	JUL. 1988
TOTAL[3]	1,192,100	1,209,000	1,149,100	-16,900	43,000
WAGE & SALARY EMPLOYMENT INDEX[4]	127.4	127.2	122.9	XXX	XXX
TOTAL MANUFACTURING	224,500	221,200	218,400	3,300	6,100
DURABLE GOODS	162,900	161,200	157,800	1,700	5,100
LUMBER & WOOD PRODUCTS	70,300	69,600	68,900	700	1,400
LOGGING & SAWMILLS	36,000	35,400	35,500	600	500
VENEER & PLYWOOD	16,900	16,900	16,600	0	300
MILLWORK & STRUCTURAL WOOD	11,000	11,000	10,800	0	200
MOBILE HOMES	1,800	1,800	1,700	0	100
OTHER WOOD PRODUCTS	4,600	4,500	4,300	100	300
FURNITURE AND FIXTURES	2,800	2,800	2,800	0	0
STONE, CLAY, GLASS & CONCRETE	4,600	4,600	4,300	0	300
PRIMARY METALS	11,500	11,100	10,400	400	1,100
BLAST FURNACES, IRON & STEEL	6,800	6,500	6,000	300	800
NONFERROUS METALS	4,700	4,600	4,400	100	300
FABRICATED METALS	11,100	11,100	11,200	0	-100
FABRICATED STRUCTURAL METALS	4,600	4,600	4,700	0	-100
OTHER FABRICATED METALS	6,500	6,500	6,500	0	0
MACHINERY	18,700	18,600	17,100	100	1,600
ELECTRICAL EQUIPMENT & SUPPLIES	16,900	16,600	15,500	300	1,400
TRANSPORTATION EQUIPMENT	11,800	11,500	11,700	300	100
INSTRUMENTS & RELATED PRODUCTS	11,500	11,500	11,900	0	-400
MISCELLANEOUS MANUFACTURING	3,700	3,800	4,000	-100	-300
NONDURABLE GOODS	61,600	60,000	60,600	1,600	1,000
FOOD & KINDRED PRODUCTS	25,900	24,300	26,000	1,600	-100
CANNING & PRESERVING	14,100	12,700	14,600	1,400	-500
OTHER FOOD PRODUCTS	11,800	11,600	11,400	200	400
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	-100
APPAREL	2,500	2,600	2,700	-100	-200
PAPER & ALLIED PRODUCTS	9,500	9,300	8,800	200	700
PRINTING & PUBLISHING	13,600	13,700	13,300	-100	300
CHEMICALS & ALLIED PRODUCTS	2,400	2,400	2,300	0	100
PETROLEUM REFINING	600	600	600	0	0
RUBBER & PLASTIC PRODUCTS	4,900	4,900	4,600	0	300
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	967,600	987,800	930,700	-20,200	36,900
MINING & QUARRYING	1,700	1,600	1,400	100	300
CONSTRUCTION	45,800	45,000	41,600	800	4,200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	63,500	63,800	60,600	-300	2,900
TRANSPORTATION	41,400	41,700	39,000	-300	2,400
RAILROAD	3,900	3,900	3,900	0	0
TRUCKING & WAREHOUSING	23,400	23,000	22,300	400	1,100
OTHER TRANSPORTATION	14,100	14,800	12,800	-700	1,300
COMMUNICATIONS	13,000	12,900	12,700	100	300
UTILITIES	9,100	9,200	8,900	-100	200
TRADE	309,000	307,000	295,100	2,000	13,900
WHOLESALE TRADE	78,400	77,600	73,000	800	5,400
DURABLE GOODS	46,100	45,600	42,800	500	3,300
NONDURABLE GOODS	32,300	32,000	30,200	300	2,100
RETAIL TRADE	230,600	229,400	222,100	1,200	8,500
GENERAL MERCHANDISE	28,500	28,200	27,600	300	900
FOOD STORES	39,900	39,400	37,100	500	2,800
AUTO DEALERS & SERVICE STATIONS	29,000	28,600	28,800	400	200
OTHER RETAIL TRADE	133,200	133,200	128,600	0	4,600
FINANCE, INSURANCE, & REAL ESTATE	75,400	75,300	74,500	100	900
BANKING & CREDIT AGENCIES	23,500	23,500	24,000	0	-500
OTHER FINANCE, INSURANCE, & REAL ESTATE	51,900	51,800	50,500	100	1,400
SERVICES	272,900	272,100	262,200	800	10,700
HOTELS & PERSONAL SERVICES	29,500	29,200	29,500	300	0
HEALTH SERVICES	84,200	83,400	77,200	800	7,000
OTHER SERVICES	159,200	159,500	155,500	-300	3,700
GOVERNMENT	199,300	223,000	195,300	-23,700	4,000
FEDERAL GOVERNMENT	33,000	32,700	33,100	300	-100
STATE GOVERNMENT	57,100	61,700	55,800	-4,600	1,300
EDUCATION	20,500	25,800	19,900	-5,300	600
OTHER STATE	36,600	35,900	35,900	700	700
LOCAL GOVERNMENT	109,200	128,600	106,400	-19,400	2,800
EDUCATION	59,800	79,800	58,000	-20,000	1,800
OTHER LOCAL	49,400	48,800	48,400	600	1,000
LABOR-MANAGEMENT DISPUTES	300	300	4,900	0	-4,600

[1] *Preliminary*

[2] *Revised*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

1,200 in retail. The gains were widespread throughout the industry, including wholesale hardware (+200), retail food stores (+500), and apparel & accessory stores (+400).

The Services Slowdown

Services employment grew by 800 in July, a tepid increase considering the 1,100 drop between May and June. After adjusting for normal seasonal changes, services employment has grown by only 2,100 since the start of the year. By comparison, the first seven months of 1988 added 9,800 jobs, fully revealing just how much services growth has slowed. Estimates of services growth for 1989 generally come in the 4.0% - 5.0% range, a healthy jump, but failing to meet the 6% growth exceeded in each of the last three years. In fact, the 4% and up estimate is bolstered by a very strong end to 1988. Comparisons of December 1989 with December 1988 are likely to show a paltry increase barely above 1.0%.

The most significant area of slower growth is in business services.

CLOSURES/CUTBACKS AFFECTING LUMBER & WOOD PRODUCTS FACILITIES
STARTING JULY 1, 1988
Sorted by Date of Closure

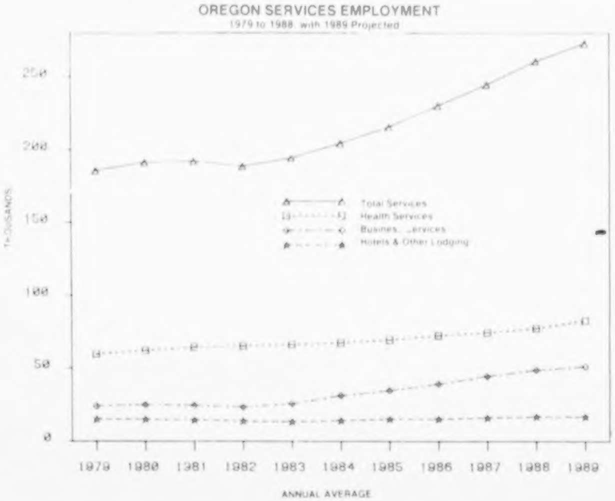
Name	Location	Date of Closure	Employment Loss	Comments
Bohemia	Bolon Island	7/88	25	Most employees transferred to other locations
Medford Corp.	• Grants Pass	9/88	170	
KOGAP Manufacturing	Medford	10/88	100	One shift off
Bohemia	Saginaw	10/88	59	
Silverton Forest Products (WTD)	Silverton	10/88	50	Possibly temporary
Cascade Locks Lumber	Cascade Locks	10/88	44	
Union Forest Products (WTD)	Union	12/88	80	Not competitive, lack of logs
Pacific Hardwoods (WTD)	Tillamook	12/88	30	Lack of logs, closed indefinitely
Leading Plywood	Corvallis	12/88	23	One shift off
Kohl Lumber	Seaside	12/88	13	Lack of logs
DG Mouldings	Harrisburg	2/89	85	
Willamette Industries	Sweet Home	2/89	67	Lack of logs
Weyerhaeuser	North Bend	3/89	200	
Falcon Manufacturing	Eugene	3/89	120	
Simpson Timber	Millersburg	4/89	200	Lack of/cost of logs
Weyerhaueser	Springfield	5/89	400	Not closure, risk of intermittent downtime
Burrill Lumber Co.	White City	5/89	180	Possible layoffs
Medford Corp.	Medford	5/89	90	Lack of logs
Pleasant Valley Plywood	Sweet Home	5/89	80	Cost/lack of logs
Noble & Bittner Plug Co.	Hebo	5/89	19	Purchased by competitor, costs
Rosboro Lumber Co.	Springfield	6/89	328	Lack of logs, 59 off, unknown curtailments
Renco Forest Products	Central Point	6/89	146	Log litigation
Gold Beach Plywood	Gold Beach	7/89	315	Cost/lack of logs, sold to S. Coast Lumber
Georgia Pacific	Springfield	7/89	250	Cost/lack of logs, sold, will reopen with 170
Pope & Talbot Inc.	Oakridge	7/89	295	Sold to Bald Knob, will reopen with unknown
Seneca Sawmill Co.	Eugene	8/89	240	Reduced hours, layoffs, curtailments likely
Snow Mountain Pine	Hines	9/89	280	Mill will be sold, unknown number to be rehired
Additional job losses from confidential sources			290	
TOTAL JOBS POTENTIALLY AFFECTED			4,189	
TOTAL JOBS ACTUALLY LOST, TO DATE			2,645	

Revision date: August 1, 1989

Hotels & lodging places is one area where growth has slowed. Employment is matching year ago levels almost exactly, not growing beyond them. While the supply of workers probably would not support continued rapid growth, this might well be the first time in six years that employment has not grown in this industry.

The most significant area of slower growth is in business services. Over the past four years, this sector has added between 3,500 and 5,500 workers every year. Current trends suggest the meagre addition of, at most, 2,500 jobs in 1989. Further analysis of our monthly sample data shows that:

- Employment in "services to buildings" firms, generally janitorial, may actually have decreased slightly over the past 12 months.
- Personnel supply firms have shown almost no growth in comparing June 1989 with June 1988. One significant change appears in temporary help agencies which, according to sample data, grew strongly between June 1987 and June 1988, but barely changed during the following 12 months. Additional review of this particular industry is planned for an upcoming **Oregon Labor Trends** article.
- Computer and data processing services continue to grow strongly, with an 18.4% growth rate evident between June 1988 and June 1989. Much of this growth is in the computer programming/software area.
- Detective & protective services has dropped by 5% in the past 12 months. While some slowing appears to have occurred, the actual decline may be distorted because many companies were guarding mills involved in strikes at this time last year.
- Health services continues to grow strongly. With 7.6% growth between last June and this, and roughly 6% growth expected for 1989 as a whole, the industry is noting continued growth in offices of physicians and dentists, hospitals, medical and dental laboratories, and outpatient facilities.



Help Wanted

Finally, to the issue of labor shortages. While 1988 saw sporadic shortages in highly seasonal jobs in entertainment (especially the State Fair) and canning & preserving, 1989's problems are far more severe and widespread. This shortage has continued even though high school and college students have fully entered the job market for the summer. Most young people, especially those in the 17 and 18 age group, are already working if they want to. Many 16-year-olds are also placed in jobs. Only at the 14 and 15 year age group, where additional restrictions are placed on the work environment, are there a host of eager applicants with too few suitable jobs to satisfy them.

An August 20 survey of seven Employment Division offices -- east to west, north to south, small and large communities, timber-based and tourism-based -- offered ample evidence that employers are struggling to fill many openings.

> ***..."help wanted" signs are evident across the state.***

The most immediate and stark example, particularly for those participating in or visiting the event, is the lack of qualified applicants for Oregon State Fair jobs. With just four days before the Fair starts (at the time of writing), only 600 of the 1,000 employees needed have been hired. Interviews continue, and exposure by the local news media has helped considerably, but some employers, especially those offering the lower wages, could well be in dire straits by the weekend. This year's fair has the added complication that the Oregon minimum wage will change on the fourth day. Many employers are starting their workers at the new minimum ($3.85), others are sticking with the old ($3.35) and planning a raise on September 1, while still others are offering $4.00 to ensure a sufficient supply of workers. Most of the jobs are relatively unskilled, in occupations linked to the carnival (which are nearly filled), food sales, and demonstrating.

Another highly seasonal industry in Oregon is food processing, particularly canning & preserving fruits & vegetables. With the September hiring peak still a week or so away, many canneries, especially in the Willamette Valley, are resorting to major (and expensive) media advertising to attract applicants. The problem will increase when students return to school.

The restaurant business traditionally offers low wages and few benefits. Both of these factors are starting to change (albeit slowly) as "help wanted" signs are evident across the state. Cooks and dishwashers are in extreme demand statewide, especially in fast food restaurants. In more "complete" restaurants, waiters and waitresses are also in high demand. In some areas, most restaurants have moved well above the current $3.35 per hour minimum wage and will be little affected by the increase to $3.85 on September 1. In others, the hiring problem is exacerbated by rigid adherence to the minimum wage, resulting not only in difficulty in hiring, but also in faster turnover of existing employees.

Elsewhere in retail trade, the picture is a little better, but with a host of new stores, many with more than 100 employees, the holiday season will present severe hiring headaches for many.

Hotels and motels, discussed earlier, appear to be matching, but not building upon last year's employment level. That might be just as well, as housekeepers and desk clerks are few and far between at the state's major tourist centers. In Newport and Bend, Employment Division personnel have noted much more competition between employers, wages above minimum wage, and a level of employer creativity which, in some cases, includes offering additional benefits to keep employees.

Increasing the level of skill, the main labor shortages in the construction industry come at the journey level, particularly for electricians, plumbers, masons, and carpenters. Wage levels are generally higher in the Portland area. But wages elsewhere appear to be rising in an attempt to prevent this highly mobile workforce from traveling to the plentiful jobs in the big city. For certain specialties, employees are being attracted from well outside the local, even statewide, area.

Another perennial shortage, which also requires skills, comes in the health professions, particularly nurses and nurses' aides. However, in some parts of the state additional health occupations such as ultrasound technicians, ward clerks, X-ray technicians, and even secretaries with medical terminology skills are desperately needed.

In addition to the occupations listed above, problems are being noted in long-haul truck driving (statewide), lumber & wood products (for openings paying wages in the low $5.00 to $8.00 range), agriculture, auto/truck mechanics, legal secretaries, real estate professionals (such as loan officers, title examiners, escrow closers), electronics assemblers, and machinists.

Where does all this leave us? Basically with a continuing mismatch between the skills of those losing jobs and the skills needed (and the pay offered) for the vacant positions. While many employees are upgrading their position either by being offered more for their current work or by seeking new employment at higher pay levels, some find themselves out of work facing huge pay cuts as their reward for going out to find a new job. In any analysis of a dynamic and changing economy there will be winners and losers and real stories of human hardship. But there is no doubt that there are many more winners among Oregon's employees at this time than there have been for many years. □

EMPLOYERS' CORNER - LITERACY CONFERENCE

Last month's issue of **Oregon Labor Trends** contained an article on the topic of adult education and literacy. Due to space limitations, the following announcement of an upcoming conference on literacy and employee development issues was deleted.

LITERACY CONFERENCE

Personnel managers and community college educators are working together to create specialized programs to assess, recruit, and retain the workers they need. In conjunction with this effort, several Oregon firms (Oregonian Publishing Co., KATU, and Oregon Public Broadcasting) are co-sponsoring a one-day conference in Portland on September 8, 1989. Theme of the conference is "LITERACY & TOMORROW'S WORKFORCE - A Challenge in Human Resources Planning." Participants will learn ways to upgrade the skills of their employees, evaluate job applicants, solve current training problems, and plan for future employee development. To register for this conference ($40/person) or to get more information, please contact:

Rosalyn Menashe
Coordinator, Business Training
Portland Community College
P.O. Box 19000
Portland, OR 97219-0990
Phone: (503) 244-6111 Ext. 2410

□

HOURS AND EARNINGS -- CONSTRUCTION WAGES BOOM

David Cooke

What has happened to the wages of Oregon workers during the first half of 1989? One way to answer this question is to compare the average weekly wages for the first six months of 1989 with the same statistics for the first six months of 1988. When these comparisons are made for each industry, several notable changes become apparent. The biggest change occurred in construction, where the average construction worker earned a gross weekly wage of $535.07, up $47.87 in one year. That's nearly a 10% boost from the same period last year. The biggest loss was in veneer & plywood, where the average production worker earned $422.00, $11.46 per week less than in the first half of 1988.

The manufacturing average weekly wage is often looked at closely as an economic indicator. Between the first half of 1988 and the first half of 1989, it rose only $3.25; less than 1%. This is actually a decline in earning power, considering the 5.0% inflation rate affecting the U.S. and the Portland area. If the inflation rate is factored in, the earning power of the average manufacturing worker actually declined by 4%.

Outside of manufacturing, the gains in average weekly wages were more substantial. As already mentioned, construction rose nearly 10%. Of the other nonmanufacturing industries for which hours & earnings statistics are compiled, all showed gains. Communication & utilities, trade, banking & insurance, and state & local government each boosted their average weekly wages by between $12.07 and $18.37, equivalent to between 3.0% and 5.5%.

Turning to average weekly hours, total manufacturing was down 0.1 hours between the two periods. Construction, at an average of 36.8 hours per week was up 2.0. Paper & allied products production workers averaged 43.9 hours per week, up 1.7. This 43.9 hours per week average is the highest weekly hours figure ever recorded for the industry. At a time when employment in paper & allied products is at a six year peak, these high weekly hours figures give an indication of just how much work is being demanded.

Like average weekly wages, average hourly earnings also increased slightly. In general, the nonmanufacturing industries showed the largest gains in average hourly earnings. Wholesale trade saw its average hourly earnings rise $0.55, while banking & insurance improved $0.49.

The accompanying table shows the six month averages for each published industry and the differences between the 1988 and 1989 figures. ☐

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	January to June 1989	January to June 1988	Change	January to June 1989	January to June 1988	Change	January to June 1989	January to June 1988	Change
TOTAL MANUFACTURING	$424.83	$421.58	$3.25	39.3	39.4	-0.1	$10.81	$10.70	$0.11
Durable Goods	429.66	428.53	1.13	39.6	39.9	-0.3	10.85	10.74	0.11
Lumber & Wood Products	429.63	432.23	-2.60	39.2	39.8	-0.6	10.96	10.86	0.10
Logging & Sawmills	461.69	459.03	2.66	38.7	39.2	-0.5	11.93	11.71	0.22
Veneer & Plywood	422.00	433.46	-11.46	40.0	40.7	-0.7	10.55	10.65	-0.10
Millwork & Structural	358.66	360.45	-1.79	39.5	40.5	-1.0	9.08	8.90	0.18
Mobile Homes	323.96	311.40	12.56	36.4	36.0	0.4	8.90	8.65	0.25
Other Wood Products	418.72	412.23	6.49	40.3	40.1	0.2	10.39	10.28	0.11
Furniture & Fixtures	314.53	301.08	13.45	35.5	35.8	-0.3	8.86	8.41	0.45
Primary Metals	514.11	505 26	8.85	42.7	42.0	0.7	12.04	12.03	0.01
Fabricated Metals	386.39	382.97	3.42	38.6	39.4	-0.8	10.01	9.72	0.29
Machinery (Ex Electrical)	453.87	441.40	12.47	41.0	40.2	0.8	11.07	10.98	0.09
Nondurable Goods	409.73	400.98	8.75	38.4	37.9	0.5	10.67	10.58	0.09
Food & Kindred Products	333.95	321.05	12.90	36.9	36.4	0.5	9.05	8.82	0.23
Canning & Preserving	280.96	265.50	15.46	35.7	35.4	0.3	7.87	7.50	0.37
Other Food Products	398.98	392.36	6.62	38.4	37.8	0.6	10.39	10.38	0.01
Textile Mill Products	244.26	240.62	3.64	34.5	35.7	-1.2	7.08	6.74	0.34
Apparel	251.18	230.58	20.60	38.0	36.6	1.4	6.61	6.30	0.31
Paper & Allied Products	663.33	643.55	19.78	43.9	42.2	1.7	15.11	15.25	-0.14
Printing & Publishing	428.25	428.04	0.21	36.2	36.0	0.2	11.83	11.89	-0.06
NONMANUFACTURING									
Construction	535.07	487.20	47.87	36.8	34.8	2.0	14.54	14.00	0.54
Communications & Utils	551.36	535.38	15.98	41.3	40.9	0.4	13.35	13.09	0.26
Wholesale & Retail Trade	314.53	299.59	14.94	34.3	34.2	0.1	9.17	8.76	0.41
Wholesale Trade	417.69	400.05	17.64	37.8	38.1	-0.3	11.05	10.50	0.55
Retail Trade	260.98	248.91	12.07	32.5	32.2	0.3	8.03	7.73	0.30
Banking & Insurance	352.50	334.13	18.37	37.5	37.5	0.0	9.40	8.91	0.49
State & Local Government	382.18	365.89	16.30						

PER CAPITA PERSONAL INCOME, 1988

Duane Ackerson

Per capita personal income for a given year is defined as the annual total personal income for residents of an area divided by its resident population as of July 1.

Before discussing Oregon's 1988 standing in the annual Miss Per Capita Pageant, it might be helpful to recap the events of the preceding contest year.

A review of 1987 per capita personal income (PCPI) data from the Bureau of Economic Analysis (BEA) points out the shortcomings of short-term analysis. In mid-1988, based on the currently available BEA data, growth in PCPI 1986-87 for the U.S. was 4.8%, and 4.2% for Oregon. Now, the most recent, revised BEA data for 1981-88 in the *Survey of Current Business* (April 1989) show the U.S. achieving 5.9% growth in 1986-87 and Oregon at 6.0% for the same period. These are fairly drastic revisions, both for the state and the nation, and indicate that, rather than lagging the U.S. growth rate by 0.6 point as previously reported, Oregon exceeded the national growth rate by 0.1 point. Previous to this revision, Oregon's 1987 per capita figure was about 1% lower at $13,887; the revised figure now stands at $14,019. With this same revision, the U.S. 1987 PCPI figure also rose about 1% from $15,340 to $15,482; the combined effect of revisions to both 1986 and 1987 data for Oregon and the nation were the noteworthy changes mentioned above.

Though these 1987 revisions may reassure Oregonians, improvement in the state's standing vis-a-vis the nation was not that dramatic; Oregon is still not likely to be a finalist in the Miss Per Capita Pageant. Oregon's PCPI, with these recent changes, only rose from 90.5% to 90.6% of the U.S. per capita personal income.

The 1987 revisions aside, Oregon did show continued improvement in its standing in 1988. The state's PCPI, at $14,982, was 91.1% of the U.S. figure of $16,444, an increase of 0.5% from the revised 1987 figure. Oregon, which ranked 30th in the country in PCPI in 1987, moved up in the ranks to 27th in 1988.

However, we still need to ask, "improvement compared with what?" The time frame we adopt in an analysis can greatly change the perspective (perhaps this is an economic corollary to the Theory of Relativity). Before the 1980-82 recession arrived, Oregon placed even higher among the states. In 1979 it was 18th; the 1988 standing is still 9 slots lower than where Oregon stood slightly less than a decade ago in 1979. The current ranking is only a slight improvement over where we were in the recession period, when Oregon, at number 29 in 1981, was two places lower than its current standing.

Rather than worrying too much about what the score is, perhaps it would be better to cast a jaundiced eye over most attempts at ranking. Ranking things tends to create a sense that the universe is better ordered than it probably is. As Einstein pointed out, even rulers grow longer as our velocity approaches the speed of light, suggesting that most of our earthbound measurements are close, but nonetheless imperfect, approximations. Books like the *Guinness Book of Records* and the *Book of Lists*, with their reiteration of "the largest," "the smallest," "the shortest," "the tallest," and "the richest" whatevers, aggravate the problem. (Some possible entries for these books, previously overlooked: "world's tallest munchkin," "world's shortest sneeze," "worst rendition of the national anthem by a macaw," "most boring Michael Jackson song," "most commercials ever in a tv late show," and "most useless statistic.")

U.S. STATES RANKED BY PER CAPITA PERSONAL INCOME
& SORTED BY HOUSEHOLD INCOME, 1988

RANK	AREA	PER CAPITA INCOME($)	% CHANGE 1987-88	% OF U.S. PER CAPITA	AVERAGE POPULATION PER HOUSEHOLD	AVERAGE HOUSEHOLD INCOME($)
United States		16,444	6.2	100.0	2.62	43,083
1.	Connecticut	22,761	7.4	138.4	2.60	59,179
2.	New Jersey	21,882	7.7	133.1	2.66	58,206
4.	Alaska	19,514	6.3	118.7	2.85	55,615
3.	Massachusetts	20,701	8.7	125.9	2.56	52,995
5.	Maryland	19,314	6.3	117.5	2.66	51,375
13.	Hawaii	16,898	7.7	102.8	2.99	50,525
8.	California	18,855	5.7	114.7	2.67	50,343
7.	New Hampshire	19,016	6.2	115.6	2.61	49,632
6.	New York	19,299	7.2	117.4	2.56	49,405
9.	Delaware	17,699	7.9	107.6	2.63	46,548
11.	Illinois	17,611	7.3	107.1	2.62	46,141
10.	Virginia	17,640	7.0	107.3	2.60	45,864
19.	Michigan	16,387	6.3	99.7	2.66	43,589
12.	Nevada	17,440	6.3	106.1	2.49	43,589
15.	Minnesota	16,787	5.5	102.1	2.58	43,310
14.	Rhode Island	16,793	7.4	102.1	2.56	42,990
20.	Pennsylvania	16,168	6.4	98.3	2.60	42,037
18.	Colorado	16,417	5.2	99.8	2.54	41,699
16.	Washington	16,569	6.0	100.8	2.49	41,257
17.	Florida	16,546	6.2	100.6	2.46	40,703
28.	Georgia	14,980	4.7	91.1	2.68	40,146
33.	Texas	14,640	5.4	89.0	2.74	40,114
23.	Ohio	15,485	6.1	94.2	2.59	40,106
21.	Kansas	15,905	5.0	96.7	2.52	40,081
24.	Wisconsin	15,444	4.9	93.9	2.59	40,000
30.	Arizona	14,887	4.5	90.5	2.67	39,748
22.	Missouri	15,492	5.8	94.2	2.55	39,505
25.	Vermont	15,382	7.4	93.5	2.55	39,224
32.	Indiana	14,721	5.6	89.5	2.60	38,275
26.	Nebraska	15,184	6.2	92.3	2.52	38,264
48.	Utah	12,013	5.5	73.1	3.17	38,081
29.	Maine	14,976	7.1	91.1	2.54	38,039
31.	Iowa	14,764	3.4	89.8	2.51	37,058
27.	**Oregon**	**14,982**	**6.9**	**91.1**	**2.46**	**36,856**
35.	Wyoming	13,718	7.9	83.4	2.67	36,627
34.	North Carolina	14,128	6.0	85.9	2.57	36,309
36.	Tennessee	13,659	6.1	83.1	2.58	35,240
39.	South Carolina	12,764	6.1	77.6	2.75	35,101
44.	New Mexico	12,481	4.9	75.9	2.75	34,323
42.	Idaho	12,657	6.7	77.0	2.71	34,300
46.	Louisiana	12,193	5.9	74.1	2.77	33,775
37.	Oklahoma	13,269	5.3	80.7	2.54	33,703
43.	Alabama	12,604	5.5	76.6	2.67	33,653
38.	Kentucky	12,795	6.6	77.8	2.62	33,523
40.	North Dakota	12,720	1.9	77.4	2.58	32,818
41.	Montana	12,670	3.1	77.0	2.58	32,689
45.	South Dakota	12,475	0.6	75.9	2.57	32,061
47.	Arkansas	12,172	5.5	74.0	2.59	31,525
50.	Mississippi	10,992	6.7	66.8	2.78	30,558
49.	West Virginia	11,658	6.1	70.9	2.61	30,427
Dist. of Columbia		21,667	7.9	131.8	2.35	50,917

As a for instance, though Oregon ranked number 29 in PCPI in 1981, it also stood at 95.4% of the nation's PCPI. In 1988, though ranked number 27, an improvement in standing among the states, Oregon had lost ground in percentage terms, falling 4.3 percentage points to 91.1% of the national PCPI.

The following table shows Oregon PCPI as a percentage of the national figure over the past eight years:

Oregon as % of U.S. Per Capita: Personal Income, 1981-88

1981	95.4
1982	92.2
1983	93.2
1984	91.9
1985	90.9
1986	90.5
1987	90.6
1988	91.1

As we might expect, Oregon's per capita income, in nominal terms, has increased over time. In fact, it more than doubled between 1975 and 1988, climbing from $6,053 to $14,982. However, in 1975, Oregon's per capita income was 99.7% of the national average, and in the late 1970s (1976-79), Oregon actually exceeded the U.S. in per capita income, peaking in 1978 at 102.0% of national per capita income. However, by 1988, the state's per capita income, at $14,982, was 91.1% of the national per capita income of $16,444. In all, over the period 1979-88, while Oregon per capita income rose 63.3%, U.S. per capita income grew by 82.0%. Even if we adjust these data for Oregon's lower inflation rate between 1979-88 (+49.0% versus +62.9% based on the CPI-U for the Portland area and the nation), "real" per capita income rose less in Oregon than in the country as a whole (+9.6% versus +11.7%) over the past ten years.

The U.S. Department of Commerce recently released estimates on average population per household for the various states as of July 1, 1988. The accompanying table shows the states ranked by per capita income and sorted by "average household income." The author derived this income figure by multiplying per capita income by average population per household. Oregon's average household population for 1988 was 2.46; multiplied by the per capita income for that year of $14,982 yields an average household income of $36,856. In 1987, Oregon, with an average household income of $34,767, ranked number 34 in the nation; in 1988, it also ranked 34th.

But, we're getting ahead of the story. Before Miss Per Capita marries and starts a family, becoming Ms. Average Household Income, there's that 1988 Per Capita Pageant. If this particular rating game is seen as a beauty contest, Miss USA 1988, judged along with her various states, would receive a score from the judges of 17.5, partway between that for Miss Colorado (number 18 at $16,417) and Miss Florida (number 17 at $16,546). This is exactly (midway between 17 and 18) what its standing was in the previous year. This performance suggests that if the U.S. persists in entering these pageants, its predictable mediocrity will probably earn it the title of Miss Congeniality. For those few who don't find beauty competitions passe, here are the results. Third runner-up, in the number four spot, is Miss Alaska; second runner-up in the third slot, Miss Massachusetts, and first runner-up in beauty spot number two, Miss New Jersey. As in the preceding year, Miss Connecticut came in first, receiving a cash award of $22,761 for 1988, and the right to the per capita personal income crown, a small strip of laminated cardboard joined to form a loop and inscribed "Each man/woman his own king/queen." ☐

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OREGON LABOR TRENDS

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INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Aug.	1989	5.1
July	1989	5.2
Aug.	1988	5.9

United States (Seas. Adj.)

Aug.	1989	5.2
July	1989	5.2
Aug.	1988	5.6

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Aug.	1989	127.8
July	1989	127.5
June	1989	127.2
May	1989	127.0
Apr.	1989	126.8

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

July	1989	$10.98
June	1989	$10.81
July	1988	$10.69

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

July	1989	38.7
June	1989	39.7
July	1988	39.0

CONSUMER PRICE INDEX (CPI)

1982-84=100

ALL URBAN CONSUMERS

Portland-Vancouver

Jan.-June 1989	119.3
Yearly change	5.0%
Annual Average 1988	114.7
Yearly change	3.4%

United States

August 1989	124.6
Yearly change	4.7%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

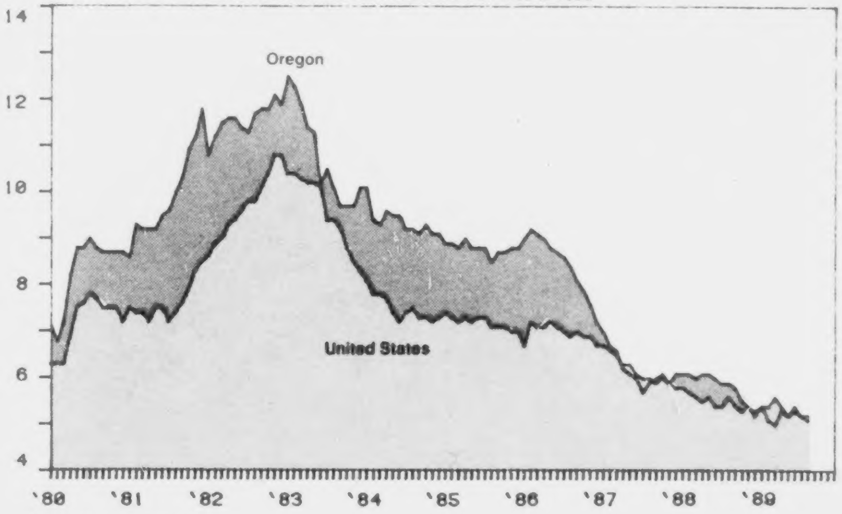
TEMPORARY HELP WORK FORCE SOARS DURING RECOVERY YEARS

Gary Sincick

Economists across the country have been sifting through the latest data, searching for signs of the expected slowdown in growth. Their efforts have been frustrated, however, due to false alarms caused by large revisions of national economic indicators. Two months ago, **Oregon Labor Trends** cited several national indicators that suggested a slowdown, but have since been revised. For instance, new orders for big ticket consumer goods was initially reported to have grown by a paltry 0.3% in June; the revised rate of 1.4% was over four times the preliminary estimate. GNP growth, one of the most fundamental economic indicators, was revised upwards from an annual rate of 1.7% to 2.5% for the second quarter. In light of revisions such as these, continued monetary easing by the Federal Reserve is not as likely as once believed.

While some evidence supports the slower growth hypothesis in Oregon, the landing, so far, appears to be soft indeed. For example, employment has grown at less than half the rate seen during the last two years for the January to August period, but this fact is mitigated by the continued presence of low unemployment this year. Oregon's unemployment rate dropped 0.1 in August to 5.1%, the lowest seasonally adjusted rate since comparable records began in 1972. Rates such as this indicate that much of the slack in the labor force has been taken up. As reported last month, several industries have been experiencing difficulties in finding qualified workers. With this slack disappearing, employment growth is increasingly limited to growth in the labor force.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

The slow growth scenario notwithstanding, Oregon still managed to add 10,300 nonfarm jobs in August. More significantly, the number of unemployed decreased by 8,300, the largest one month drop in over two years. Also, in a rare occurrence, Oregon's unemployment rate dipped below the national rate (5.2%), if only by 0.1.

Employment Highlights

Manufacturing, as a whole, did nearly as well as expected in August, adding 4,900 workers. Breaking this total down by industry, however, shows that virtually all of this change was due to canneries and fresh produce processors. Their employment increased by 5,000 as they hit their peak season in August.

Lumber and wood products, expected to increase by 300, instead dropped by that amount. Several mill cutbacks were responsible for this decrease. In the case of two mill sales, layoffs are expected to last only during the ownership transition period. Many of those laid off will probably be back to work soon. Two other mills, though, cutback employment for other reasons, putting hundreds out of work indefinitely. Veneer & plywood took the biggest drop, declining 300 to 16,600. Logging, although adding 200, remains at the lowest August level (12,900) since 1982.

High-tech industries provided much more positive news last month. Electrical and electronic machinery gained 300 jobs, pushing high-tech employment up to 33,000. The history of high-tech in Oregon has been uneven. For the last ten years, employment in high-tech has fluctuated between 29,000 and 34,000, without exhibiting much real growth. In recent years, though, this industry group has developed a much broader base of firms. Large firms have spun off a multitude of smaller companies, and many foreign firms are now established in Oregon. A number of plants have come on-line in the past year, and it shows in the employment data. Electrical and electronic machinery has added 1,500 jobs since August 1988, over 50% of which were added in the last three months. While it is too early to tell whether this level of growth will be sustained, it is possible that high-tech may be poised to assume a greater role in Oregon manufacturing.

For the balance of manufacturing, August was a fairly typical month. Ship building and repair lost 400, but is expected to recover many of these jobs over the next few months as several new projects get underway. Printing and publishing gained 200, for a total of 13,800.

Although demand for housing seems to be cooling in much of the country, Oregon's construction boom continues unabated. Comparing the first half of 1989 with the first half of 1988, *U.S. Housing Markets* reported that building permits in the Portland metropolitan area were up 74.8%, the largest increase among the 53 major metropolitan areas surveyed. Despite talk of a dearth of qualified applicants, 1,000 workers were added to construction industry payrolls last month. Total construction employment now stands at 46,900, a level not seen since before the recession when high inflation caused a speculative explosion in housing.

Perhaps the most unexpected development in August was in trade, which added 3,200 jobs. An increase of 1,400 in wholesale groceries and related products was due in large part to a one month statistical aberration caused by the fact that both striking Fred Meyer employees and replacement workers were counted in August. Retail trade was up 1,600, defying the conventional wisdom that the market is saturated and an industry shakeout is imminent. At 312,700, trade employment is already above last winter's holiday peak. By this winter, trade may be added to the growing list of industries displaying "Help Wanted" signs.

. . . employment in the temporary help supply industry has grown over five-fold since 1983.

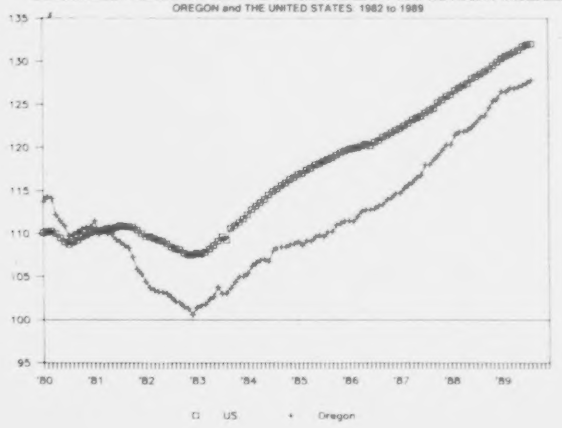
Services continued its sluggish growth trend, adding 900, primarily in business services. Last month's **Oregon Labor Trends** emphasized the recent slowdown in service sector growth and cited the flat trend in the personnel supply industry. While the slowdown in personnel supply is undeniable, it comes on the heels of perhaps the most spectacular growth of any industry this decade. Beyond putting more people to work, this growth has had an impact on the structure of the labor force and the economy.

The Temporary Help Boom

As an accompanying graph shows employment in the temporary help supply industry has grown over five-fold since 1983. Employment in this industry averaged 12,000 in 1988, with most in clerical and light industrial occupations. When considering the total number of temporary employees in the work force, however, these figures understate the

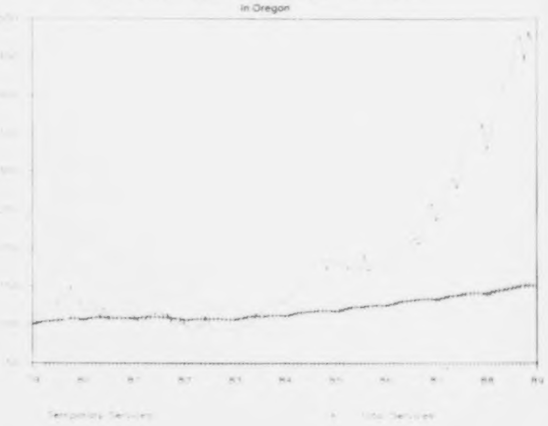
SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES

OREGON and THE UNITED STATES: 1982 to 1989



TEMPORARY SERVICES EMPLOYMENT GROWTH

in Oregon



RESIDENT OREGON LABOR FORCE

	AUG.[1] 1989	JUL.[2] 1989	CHANGE	%CHANGE	AUG.[5] 1988
CIVILIAN LABOR FORCE[3]	1,452,800	1,481,000	-28,200	-1.9	1,432,900
UNEMPLOYMENT	69,000	77,300	-8,300	-10.7	78,900
PERCENT OF LABOR FORCE	4.7	5.2	XXX	XXX	5.5
SEASONALLY ADJUSTED PERCENT	5.1	5.2	XXX	XXX	5.9
TOTAL EMPLOYMENT[4]	1,383,800	1,403,700	-19,900	-1.4	1,354,000

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[1] *Preliminary*

[2] *Revised*

[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*

[4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*

[5] *Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	AUG.[1] 1989	JUL.[2] 1989	AUG. 1986	CHANGE FROM JUL. 1989	CHANGE FROM AUG. 1988
TOTAL[3]	1,202,800	1,192,500	1,162,600	10,300	40,200
WAGE & SALARY EMPLOYMENT INDEX[4]	127.8	127.5	123.5	XXX	XXX
TOTAL MANUFACTURING	230,000	225,100	225,000	4,900	5,000
DURABLE GOODS	162,500	163,000	159,200	-500	3,300
LUMBER & WOOD PRODUCTS	70,000	70,300	69,700	-300	300
LOGGING & SAWMILLS	35,900	36,000	35,600	-100	300
VENEER & PLYWOOD	16,600	16,900	17,000	-300	-400
MILLWORK & STRUCTURAL WOOD	11,000	11,000	10,900	0	100
MOBILE HOMES	1,900	1,800	1,800	100	100
OTHER WOOD PRODUCTS	4,600	4,600	4,400	0	200
FURNITURE AND FIXTURES	2,900	2,800	2,700	100	200
STONE, CLAY, GLASS & CONCRETE	4,700	4,600	4,500	100	200
PRIMARY METALS	11,300	11,500	10,500	-200	800
BLAST FURNACES, IRON & STEEL	6,800	6,800	6,000	0	800
NONFERROUS METALS	4,500	4,700	4,500	-200	0
FABRICATED METALS	11,200	11,200	11,300	0	-100
FABRICATED STRUCTURAL METALS	4,700	4,700	4,700	0	0
OTHER FABRICATED METALS	6,500	6,500	6,600	0	-100
MACHINERY	18,700	18,800	17,300	-100	1,400
ELECTRICAL EQUIPMENT & SUPPLIES	17,200	16,900	15,700	300	1,500
TRANSPORTATION EQUIPMENT	11,500	11,800	11,700	-300	-200
INSTRUMENTS & RELATED PRODUCTS	11,300	11,400	11,900	-100	-600
MISCELLANEOUS MANUFACTURING	3,700	3,700	3,900	0	-200
NONDURABLE GOODS	67,500	62,100	65,800	5,400	1,700
FOOD & KINDRED PRODUCTS	31,500	26,500	31,300	5,000	200
CANNING & PRESERVING	19,700	14,700	19,900	5,000	-200
OTHER FOOD PRODUCTS	11,800	11,800	11,400	0	400
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	-100
APPAREL	2,600	2,500	2,700	100	-100
PAPER & ALLIED PRODUCTS	9,400	9,400	8,600	0	800
PRINTING & PUBLISHING	13,800	13,600	13,500	200	300
CHEMICALS & ALLIED PRODUCTS	2,400	2,400	2,300	0	100
PETROLEUM REFINING	600	600	600	0	0
RUBBER & PLASTIC PRODUCTS	5,000	4,900	4,600	100	400
LEATHER PRODUCTS	500	500	400	0	100
TOTAL NONMANUFACTURING	972,800	967,400	937,600	5,400	35,200
MINING & QUARRYING	1,700	1,700	1,400	0	300
CONSTRUCTION	46,900	45,900	43,100	1,000	3,800
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	63,700	63,400	61,600	300	2,100
TRANSPORTATION	41,700	41,300	39,900	400	1,800
RAILROAD	3,900	3,900	3,900	0	0
TRUCKING & WAREHOUSING	23,400	23,300	22,500	100	900
OTHER TRANSPORTATION	14,400	14,100	13,500	300	900
COMMUNICATIONS	13,000	13,000	12,800	0	200
UTILITIES	9,000	9,100	8,900	-100	100
TRADE	312,700	309,500	297,900	3,200	14,800
WHOLESALE TRADE	80,200	78,600	74,000	1,600	6,200
DURABLE GOODS	46,500	46,200	43,300	300	3,200
NONDURABLE GOODS	33,700	32,400	30,700	1,300	3,000
RETAIL TRADE	232,500	230,900	223,900	1,600	8,600
GENERAL MERCHANDISE	29,200	28,800	28,100	400	1,100
FOOD STORES	40,200	40,000	37,900	200	2,300
AUTO DEALERS & SERVICE STATIONS	28,700	28,900	28,700	-200	0
OTHER RETAIL TRADE	134,400	133,200	129,200	1,200	5,200
FINANCE, INSURANCE, & REAL ESTATE	76,500	75,900	74,800	600	1,700
BANKING & CREDIT AGENCIES	23,700	23,500	23,900	200	-200
OTHER FINANCE, INSURANCE, & REAL ESTATE	52,800	52,400	50,900	400	1,900
SERVICES	273,500	272,600	263,900	900	9,600
HOTELS & PERSONAL SERVICES	29,700	29,400	29,500	300	200
HEALTH SERVICES	84,500	84,200	77,800	300	6,700
OTHER SERVICES	159,300	159,000	156,600	300	2,700
GOVERNMENT	197,800	198,400	194,900	-600	2,900
FEDERAL GOVERNMENT	33,000	33,000	33,000	0	0
STATE GOVERNMENT	56,600	56,400	56,400	200	200
EDUCATION	20,000	20,500	19,500	-500	500
OTHER STATE	36,600	35,900	36,900	700	-300
LOCAL GOVERNMENT	108,200	109,000	105,500	-800	2,700
EDUCATION	58,600	59,700	57,100	-1,100	1,500
OTHER LOCAL	49,600	49,300	48,400	300	1,200
LABOR MANAGEMENT DISPUTES	300	300	3,800	0	-3,500

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[1] *Preliminary*

[2] *Revised*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

case, as they include only those on the payrolls of temporary help agencies, and not those temporary status employees hired by firms directly. The significance of this explosion in temporary employment and its impact on the labor force is the focus of the remainder of this article.

After the last recession, employers became more wary of hiring full-time, permanent status workers. Having just experienced a period of protracted layoffs and facing an uncertain economic future, they were understandably reluctant to put themselves in a position where further layoffs might be necessary. What they needed was a more flexible, less expensive way to staff their enterprises. Enter the temporary employee.

Temporary help supply agencies specialize in providing employees to help firms meet seasonal or fluctuating staffing demands. The benefits to employers utilizing such services are manifold. Costs incurred in filling a position are greatly reduced, for example. Personnel time and expense spent on employee searches and interviews can be replaced with a call to a temporary agency. Unanticipated vacancies can be filled quickly, minimizing disruption of the work routine. Overstaffing is also less likely to be a problem, as temporary employees may be discharged when their help is no longer needed.

Another indisputable but controversial savings to firms employing temporary help concerns employee benefits. Workers on the payroll of temporary help agencies generally get far fewer benefits than their permanent status counterparts. Although some do provide holiday pay and limited vacation pay, many supply only those benefits required by law, such as unemployment insurance, workers compensation, and FICA. Employer-paid health insurance, sick leave, or pensions are virtually unheard of. The savings represented by these foregone benefit payments can be substantial. A 1987 study by the U.S. Chamber of Commerce reported that employee benefits as a portion of payroll totaled 39%, 9% of which were legally required payments.

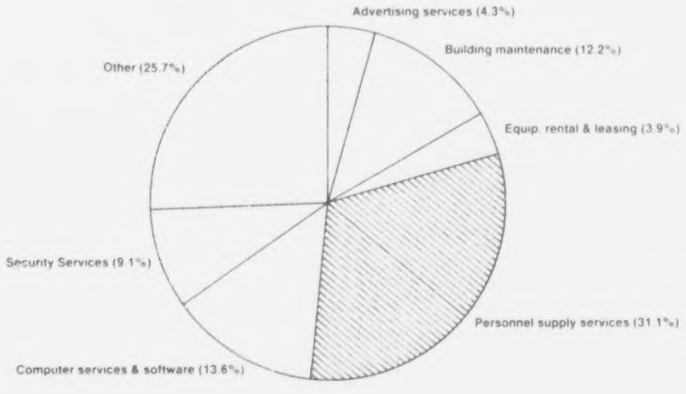
A firm using temporary help supplied by an agency may not see these savings though, since their fee covers both the employee's salary plus the agency's premium, which could negate any potential gain. Some firms may be unable to resist the temptation to realize these gains by directly hiring a more or less permanent crew of "temps" themselves. As medical insurance rates continue to skyrocket, this practice will undoubtedly become more commonplace.

In addition to women, younger workers are also disproportionately represented in the temporary labor force.

Employers may also hire temporaries with the intention of "shopping" for permanent workers. In today's litigious atmosphere, dismissing unsatisfactory employees may be more expensive in the short run than keeping them on the payroll. Job interviews cannot provide a complete picture of how an individual will work out. By choosing permanent status employees from an existing pool of temps, the employer has a much better idea of each candidate's work habits and skills.

EMPLOYMENT IN BUSINESS SERVICES, 1988

Oregon Statewide



Certainly the advent of the temporary labor force has been a boon to employers, but what's in it for the temporary employees themselves? To answer that, a digression is necessary to identify who these workers are and what they do. While less than half of those employed in all industries are women, they comprise nearly two-thirds of those employed by temporary help agencies. This is due in part to the fact that a large portion of temp agency workers are in the field of administrative support, including clerical occupations which are predominantly held by women. According to a 1985 study by the Bureau of Labor Statistics, over 43% of temporary help agency workers are employed in these occupations nationwide. In addition to women, younger workers are also disproportionately represented in the temporary labor force. Those in the 16 to 24 age class account for 20% of the total employment in all industries, yet make up over 32% of those employed in temporary services.

What is it about youths and women that explains their increased tendency towards temporary employment? The answer is two-fold. First of all, both groups contain a relatively high proportion of new entrants to the labor force. Women have been increasing their labor force participation dramatically over the decade, as declining real wages and shifts in the traditional family structure have induced many to assume the role of primary or supplementary wage earner. Likewise, a sizable portion of those in the 16 to 24 age group will obviously be seeking employment for the first time. For these new entrants, working as a temporary can be a means of gaining valuable experience and sampling different occupations and work environments. Such experience may eventually be used as a stepping stone to permanent status employment, if desired.

Secondly, temporary employment can provide both groups with the rapid placement and flexibility they require. Students seeking work for the summer may incur lower job search costs by way of quick placement through a temporary agency. Some women may desire temporary or part-time employment in order to balance work with family life. Critics often point out that this flexibility comes at the dear cost of lower benefits, especially health insurance; it is important to remember, though, that many married women and younger workers may be covered under their spouse's or family's insurance plans. Clearly, both employers and employees can benefit from the flexibility offered by temporary employment.

Looking beyond the obvious costs and benefits of temporary employment, subtle but nevertheless significant effects on the labor force can be seen. Although the bond between employer and employee has never been as strong in the United States as in other parts of the world, the trend towards increased temporary employment threatens to weaken it further. Employees will tend to identify themselves by their occupation rather than their employer. A decline in company loyalty may translate into a decline in productivity, although to what extent is not yet clear.

Further fallout from this lack of mutual commitment is evidenced by less on-the-job training. By and large, employers use temps to do a specific job for a limited period of time, and have little incentive to invest in their development. Temporary employees, with few chances for advancement within a given company, have little incentive to learn. This situation, if left to its own, could create a stagnating labor pool. Research has shown that on-the-job learning has accounted for 55 percent of the productivity gains achieved over the last fifty years. Fortunately, some temporary agencies are moving towards providing their temps with some kinds of training and job skills development.

Research has shown that on-the-job learning has accounted for 55 percent of the productivity gains achieved over the last fifty years.

What, then, lies ahead for the temporary labor force? The following observations provide some clues. States with high rates of employment growth tend to have higher than average proportions of temporary help services employment. Nationally, the temporary services industry has grown disproportionately during times of expansion and recovery. In Oregon, the recession caused nonfarm wage & salary employment to decline by 9% from 1979 to 1982, but employment in temporary services dropped by a whopping 27% over the same period. The unsettling implication is that the temporary services industry and the temporary labor force as a whole may be highly elastic; or, in other words, "fair weather friends." Remember, temps are attractive to employers not only because they can be hired quickly and easily, but also because they can be let go quickly and easily. The true test of this trend's stability will undoubtedly come when the next recession hits. ☐

MINIMUM WAGE UPDATE

Tom Lynch

The legislative dust has settled and the final shape of Oregon's new minimum wage law can now be defined. If you have followed this issue or read the article in the May 1989 issue of **Oregon Labor Trends**, the final requirements of the new law have not changed significantly from those highlighted in that article. Basically, the requirements of the new minimum can be separated into:

DATES OF IMPLEMENTATION

September 1, 1989	$3.85/hr.
January 1, 1990	$4.25/hr.
January 1, 1991	$4.75/hr.

CHANGES IN COVERAGE

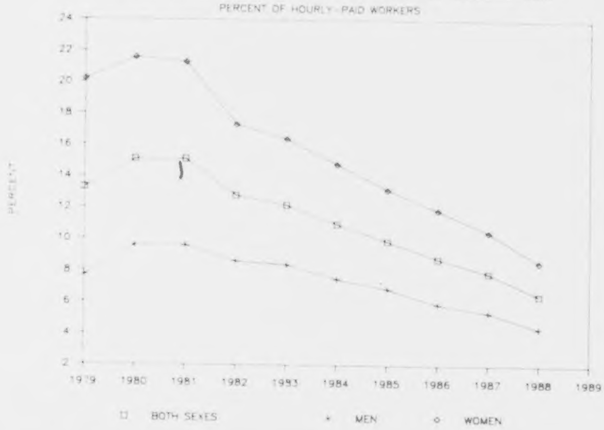
- Student Workers - The new law extends minimum wage coverage to college students who are working for post-high school educational institutions. It does not cover high school students who are working for primary or secondary educational institutions.
- Live-in Caretakers - If the purpose of the live-in caretaker is to be available for emergency or occasional duties then they must be paid the minimum wage for the hours that they actually perform these duties. The rest of their live-in time is exempt from the new minimum wage requirements .
- All employers in Oregon are now covered by the Oregon law. Since Oregon's new minimum hourly wage is now higher than the federal minimum wage, the National Fair Labor Standards Act exemption no longer applies in Oregon.

Along with the major changes mentioned above, the legislature took steps to "clean up" certain sections in the old law covering exceptions to the minimum wage law. Those items which were unchanged between the old and the new law but which were clarified as exceptions in the new law are:

1. Piece-rate work that is generally recognized as being paid on a piece-rate basis in the region of employment.
2. Casual domestic service in or about a family home.
3. Individuals employed in range production of livestock who are paid on a salary basis.
4. Administrative, executive, or professional workers who are paid on a salary basis, exercise discretion and independent judgment, and perform predominantly intellectual, managerial, or creative tasks.
5. Individuals who perform child care services in the home of the individual or in the home of the child. (These people are still covered by the Federal Fair Labor Standards Act as before.)

This article has been an attempt to provide our readers with an update of the changes in Oregon's minimum wage law. The full interpretation of these changes in the law await the "guiding hand" of the Oregon Bureau of Labor and Industries. If questions arise about these interpretations, readers are encouraged to contact the Bureau of Labor and Industries (ph. 229-5735) to obtain answers concerning the new law. ☐

U.S. WORKERS PAID AT OR BELOW $3.35/HR



EMPLOYEE EARNINGS -- REGULAR WAGES VS. OTHER CASH PAYMENTS

Graham Slater

Oregon's Current Employment Statistics (CES) program (like all other states') provides estimates of average hourly and average weekly earnings in cooperation with the federal Bureau of Labor Statistics (BLS). These are summarized each month in **Oregon Labor Trends**. While these data provide valuable insights into changes in earnings levels and comparisons between different parts of the nation, they do have certain limitations. First, the data relate only to production or nonsupervisory employees, and therefore ignore many levels of supervisory, professional, management, and executive staff. Second, the earnings statistics measure only the regular wages paid to employees, with regular defined as "at least monthly." Therefore, quarterly or annual bonuses, profit sharing, and employee awards are all examples of income which is not included in these data.

At a recent meeting of CES staff from many states and BLS staff, one presentation detailed a pilot study which sought to provide information on these two deficiencies. The test involved five states (not including Oregon) and roughly 4,000 employers. Data were collected on an annual basis, covering all major industry groups except mining and government. Questions were asked relating to the earnings of all employees (not just production workers) and the incidence and magnitude of "non-wage cash payments."

While the "all employee" portion was easily understandable to most respondents, the non-wage cash payment was not. This concept is defined as "a cash payment made by an employer directly to one or more employee(s) on the payroll, on a basis less frequent than each pay period." Non-wage cash payments include awards, bonuses, lump sum payments, cash profit sharing, commissions paid less often than monthly, and severance pay. However, payments-in-kind, health insurance, tips, or Christmas turkeys would not meet the definition.

Given that this pilot study was intended to investigate the availability of data rather than to provide detailed answers to the larger questions, it is not

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July[2] 1989	June[3] 1989	July 1988	July[2] 1989	June[3] 1989	July 1988	July[2] 1989	June[3] 1989	July 1988
TOTAL MANUFACTURING[4]	$424.93	$429.16	$416.91	38.7	39.7	39.0	$10.98	$10.81	$10.69
Durable Goods	430.62	437.49	426.80	38.9	40.1	39.3	11.07	10.91	10.86
Lumber & Wood Products	420.36	438.10	429.62	37.7	39.9	38.6	11.15	10.98	11.13
Logging & Sawmills	449.07	479.93	464.51	36.9	40.5	38.2	12.17	11.85	12.16
Veneer & Plywood	410.59	413.90	422.07	37.6	38.9	38.9	10.92	10.64	10.85
Millwork & Structural	357.70	359.99	349.77	39.7	39.3	39.3	9.01	9.16	8.90
Mobile Homes	340.10	352.52	314.71	38.0	39.3	37.2	8.95	8.97	8.46
Other Wood Products	411.05	430.56	411.29	39.6	41.4	39.7	10.38	10.40	10.36
Furniture & Fixtures	344.00	318.36	326.30	35.5	35.1	35.2	9.69	9.07	9.27
Primary Metals	504.15	506.04	498.04	41.7	42.1	42.1	12.09	12.02	11.83
Fabricated Metals	402.04	399.12	396.34	39.3	39.4	41.2	10.23	10.13	9.62
Machinery (Ex Electrical)	448.22	454.99	436.80	40.6	41.4	40.0	11.04	10.99	10.92
Nondurable Goods	410.65	404.25	390.02	38.2	38.5	38.2	10.75	10.50	10.21
Food & Kindred Products	322.27	336.77	319.18	37.0	38.4	37.2	8.71	8.77	8.58
Canning & Preserving	264.26	289.55	271.58	36.2	37.8	36.7	7.30	7.66	7.40
Other Food Products	419.77	406.50	403.01	38.3	39.2	38.2	10.96	10.37	10.55
Textile Mill Products	236.57	232.69	216.74	33.7	33.1	30.7	7.02	7.03	7.06
Apparel	221.39	256.32	206.64	33.8	38.2	31.5	6.55	6.71	6.56
Paper & Allied Products	668.80	623.42	647.92	41.8	40.8	44.5	16.00	15.28	14.56
Printing & Publishing	484.07	441.03	430.93	37.7	36.6	36.8	12.84	12.05	11.71
Construction[4]	555.35	545.90	532.70	38.3	37.7	37.7	14.50	14.48	14.13
Communications & Utilities[5]	551.40	547.72	542.25	41.9	41.4	42.1	13.16	13.23	12.88
Trade[5]	330.15	321.20	318.44	35.5	34.8	35.7	9.30	9.23	8.92
Wholesale Trade	436.99	426.38	421.29	38.4	37.8	38.9	11.38	11.28	10.83
Retail Trade	275.19	265.93	266.66	34.1	33.2	34.1	8.07	8.01	7.82
Banking & Insurance[5]	371.32	349.31	342.99	38.8	37.2	38.8	9.57	9.39	8.84
State & Local Government	422.23	381.71	401.32						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

surprising that the Bureau of Labor Statistics is not planning to release the results in a formal way. (Therefore, please do not contact BLS.) However, some informal, unpublished information provides interesting reading.

- Of the 2,638 firms which responded, 50% reported some non-wage cash payments to one or more employees during 1988. Production workers received such payments in 41% of the firms surveyed.
- Extra cash payments were most likely to occur in larger firms, with 64% of the "over-100 employee" firms reporting non-wage cash payments, compared with 39% in the 0-19 employee size class.
- In terms of industry differences, 61% of the finance, insurance, & real estate (FIRE) firms surveyed had made non-wage payments to one or more employees. Retail trade and construction recorded the lowest percentages at 43%. These figures were considerably lower when the question was limited to production workers -- comparable figures were 53% in FIRE, 34% in construction, and 32% in retail trade.
- Even though half the firms surveyed had provided some payments to their employees, these irregular payments accounted for only 3.2% of the total payroll. For production workers, non-wage cash made up 2.4% of total earnings.
- Financial (FIRE) firms appeared most likely to give some kind of bonus to employees, but these bonuses made up only 3.2% of the industry's total payroll. The highest percentage came in wholesale trade where non-wages accounted for 7.1% of total earnings, while these extra payments provided only 1.0% of services employees' earnings.

From a survey management point of view, the pilot test provided valuable information which will be used in any future efforts. Level of respondents' understanding, availability of and willingness to provide the data requested, and reliability of the data are all being analyzed by BLS staff.

Readers with further questions are welcome to contact the author, though no similar data exists for Oregon at this time. However, it is highly likely that some research will take place on this subject during the next year, either in conjunction with future efforts by BLS or as a "stand-alone" state project. Results of such research will appear in this publication. □

NEW LMI PUBLICATION

We've done it again! The **1989 Oregon Industrial Outlook** publication contains a wealth of information and analysis on population, labor force, income, industry, and occupational trends in Oregon. A major focus of this publication is a detailed look at over 300 specific industries at the 3-digit Standard Industrial Classification (SIC) level. This information includes payroll, size of firm data, occupational structure, number of firms and wage and salary employees by industrial sector (1982-1987), the geographical distribution of employment throughout the state, and each industry's 1994 projected employment level.

This second edition of the publication provides updated and new information compared with the 1986 version, and is published in support of the efforts being made to expand and diversify Oregon's economy.

If you are not already on our mailing list and would like to receive a copy of the **1989 Oregon Industrial Outlook**, please contact:

Employment Division - R&S
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phone: (503) 378-8657

And finally, to all users of this new publication, we would appreciate your taking a few moments to complete the Oregon Industrial Outlook Evaluation form at the back of the book. Your comments will be of great value to use in preparing any future editions. □

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

August 1989

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,452,800	1,383,800	69,000	4.7
Eugene MSA[2]	142,800	136,100	6,700	4.7
Medford MSA[3]	71,460	67,260	4,200	5.9
Portland PMSA[4]	659,300	632,500	26,800	4.1
Salem MSA[5]	140,000	133,800	6,200	4.4
Baker	7,150	6,770	380	5.3
Benton	35,860	34,750	1,110	3.1
Clatsop	18,480	17,530	950	5.1
Columbia	16,320	15,190	1,130	6.9
Coos	27,320	25,300	2,020	7.4
Crook	6,930	6,550	380	5.5
Curry	9,510	9,070	440	4.6
Deschutes	38,290	36,350	1,940	5.1
Douglas	45,340	42,560	2,780	6.1
Gilliam	920	890	30	3.3
Grant	4,390	4,220	170	3.9
Harney	4,270	4,090	180	4.2
Hood River	10,040	9,030	1,010	10.1
Jefferson	7,370	7,090	280	3.8
Josephine	26,560	24,880	1,680	6.3
Klamath	25,240	23,700	1,540	6.1
Lake	4,420	4,140	280	6.3
Lincoln	20,900	20,030	870	4.2
Linn	42,060	39,810	2,250	5.3
Malheur	16,200	15,560	640	4.0
Morrow	4,230	3,750	480	11.3
Sherman	740	700	40	5.4
Tillamook	9,310	8,820	490	5.3
Umatilla	31,400	28,880	2,520	8.0
Union	11,440	10,890	550	4.8
Wallowa	4,290	4,150	140	3.3
Wasco	9,740	8,950	790	8.1
Wheeler	600	570	30	5.0

[1] *Not Seasonally Adjusted*

[2] *Lane County*

[3] *Jackson County*

[4] *Clackames, Multnomah, Washington, Yamhill counties*

[5] *Marion and Polk counties*

EMPLOYERS' CORNER . . . TAXING MATTERS

Dorothy Monnier

Oregon has enacted a system of combined tax reports that is to be effective with the quarterly reports for the first quarter of 1990. The new forms combine the Department of Revenue quarterly and semi-annual withholding (WY and WS), Tri-Met payroll (TM), and Lane Transit District (LTD) tax forms, and the Employment Division Employer's Tax Report (136) and Employee Detail Report (132). A packet containing these forms and instructions will be sent to all subject Oregon employers in February 1990.

A single account number will be assigned to each employer, representing all of the tax programs included in the combined form.

The new report will be due on or before the last day of the month following the quarter to which the report relates. It must be accompanied by payment of any tax due and a combined tax payment coupon. The employer indicates on the coupon the amount of the total payment and the portions of the payment to be paid to each of the tax programs. If the employer fails to allocate the payments on the coupon, the payment is allocated to the proper tax programs on the basis of the percentage the payment bears to the total amount due. The coupons will be sent to employers in December 1989.

Employers submit the reports to the Department of Revenue. The Department of Revenue distributes the necessary tax-payment information to each of the participating agencies.

Oregon has taken a step to make the process of reporting and paying taxes easier for employers. □

JSEC SEMINARS FOR EMPLOYERS

DEALING WITH DIFFICULT PEOPLE

O'Callahan's Restaurant
Located inside Nendel's
Corvallis, Oregon
October 3...7:30 a.m. to 1:00 p.m.
Call Sue Hankins, phone 967-2171

Chumaree Comfortel
Salem, Oregon
October 12...8:00 a.m. to 12:00 noon
Call Joyce Wilson, phone 378-6394 or
Laverna Bauguess, 472-5118

UNEMPLOYMENT INSURANCE

Stuart Anderson's Black Angus
Eugene, Oregon
October 26...8:30 a.m. to 4:00 p.m.
Call Phyllis Coggins, phone 726-2518.

DEVELOPING PERSONNEL POLICIES AND EMPLOYEE HANDBOOKS

Forest Products Federal Credit Union
Shasta Way Branch (Upstairs)
Klamath Falls, Oregon
October 5...9:30 a.m. to 1:00 p.m.
Call Mark Woods, phone 883-8134

LMI LABOR MARKET INFORMATION

STATE OF OREGON

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